

## APPENDIX 2 TO SUMMARY PROGRESS REPORT: INTERNAL AUDIT PLAN 2011/12

LEAD DEPT	CORPORATE AIM SUPPORTED	LAST AUDITED	AUDIT ACTIVITY	STATUS / DATES PROPOSED
<b>MANAGING THE BUSINESS</b>				
P&I	All	Annually	Manager Assurance Statements	Work completed. Reported to June 2011 Audit Committee.
P&I	All	Not audited	Assurance Framework	<b>Compliance with it will be tested in December 2011 and January 2012</b>
<b>Key Corporate Business Processes</b>				
All	All	Not audited	<ul style="list-style-type: none"> <li>• <b>Performance Management in Departments</b></li> </ul>	Terms of Reference agreed.
All	All	2006 / 07	<ul style="list-style-type: none"> <li>• <b>Performance Management</b>, focus team plans and staff appraisals (all directorates)</li> </ul>	The Terms of Reference has been agreed with the Head of Communications and HR
			<ul style="list-style-type: none"> <li>• Children and Learning</li> </ul>	<b>Field work substantially complete</b>
			<ul style="list-style-type: none"> <li>• <b>All other departments will be covered in a corporate review building on the findings from the review in Children and Learning</b></li> </ul>	<b>Work in Progress</b>
SS	All	2009 / 10	<ul style="list-style-type: none"> <li>• Financial Management / Value for Money</li> </ul>	Work covered by the Delivering Saving Programme Review
P&I	All	2009 / 10	<ul style="list-style-type: none"> <li>• <b>Data Quality - spot checks on systems and accuracy of PIs</b></li> </ul>	<b>Deleted</b>
			<ul style="list-style-type: none"> <li>• Procurement / Compliance with Contract Procedure Rules</li> </ul>	Summary findings reported to the Audit Committee in September 2011. <b>Work is underway with the Corporate Procurement Team to further strengthen arrangements to ensure compliance.</b> <b>Purchasing through Agresso will be assessed as part of the Accounts Payable review.</b>

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SS	All	Not audited	<ul style="list-style-type: none"> <li>• Information Management</li> </ul>	<b>Work in Progress</b>

**Total on Managing the Business**

**120**

### MANAGING SERVICE RISKS

<b>ACS</b>	<b>Risk based jobs</b>			
	3, 4, 5	2006 / 07	<ul style="list-style-type: none"> <li>• Library Service including the Elmer Square capital project</li> </ul>	Completed September 2011
	1, 3, 4, 5	2007 / 08	<ul style="list-style-type: none"> <li>• <b>Integrated Locality Restructuring</b></li> </ul>	<b>Deleted as the timing of the restructuring has changed.</b>
	All	2006 / 07	<ul style="list-style-type: none"> <li>• Value for Money Review of ALMO / Implications of Changes to HRA</li> </ul>	<b>Deleted as there is a separate review of the ALMO.</b>
<b>ACS</b>	<b>Critical Friend / Ad Hoc Work</b>			
			<ul style="list-style-type: none"> <li>• None to date</li> </ul>	
<b>C&amp;L</b>	<b>Risk based jobs</b>			
	3, 4	Not Audited	<ul style="list-style-type: none"> <li>• Contract Management of Early Years Sure Start Contracts</li> </ul>	<b>Terms of Reference Agreed Work planned for February / March 2012.</b>
	4	Not Audited	<ul style="list-style-type: none"> <li>• Home to School Transport</li> </ul>	<b>Work in Progress</b>
<b>C&amp;L</b>	<b>Critical Friend / Ad Hoc Work</b>			
	4, 5	Not Audited	<ul style="list-style-type: none"> <li>• School Improvement Service</li> </ul>	<b>Deleted</b>
			<ul style="list-style-type: none"> <li>• <b>Ad Hoc Review at a School: Compliance with Financial Procedures</b></li> </ul>	<b>Completed October 2011</b>

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<b>ET&amp;E</b>	<b>Risk-based jobs:</b>			
	All	New	<ul style="list-style-type: none"> <li>• Managing Change within the Department for Enterprise, Tourism and the Environment</li> <li>• Administrative Support</li> <li>• Regulatory Services</li> <li>• Highways and Traffic Management</li> <li>• Area Enforcement Teams</li> </ul>	Terms of Reference Agreed <b>Change programme now complete.</b> <b>As part of producing 2012/13 audit plan will consider whether there is a need for a post implementation review of the new arrangements.</b>
	All	Not Audited	<ul style="list-style-type: none"> <li>• Monitoring / Management of Contracts</li> </ul>	<b>Work in progress.</b>
	4, 5	2010 / 11	<ul style="list-style-type: none"> <li>• Compliance with Contract Procedure Rules Revisit</li> </ul>	No longer relevant. Included in corporate procurement project
<b>ET&amp;E</b>	<b>Critical Friend / Ad Hoc Work</b>			
			<ul style="list-style-type: none"> <li>• CCTV Maintenance Contract Review</li> </ul>	Completed September 2011
<b>SS</b>	<b>Risk-based jobs</b>			
	All		<ul style="list-style-type: none"> <li>• Fully evaluate the IT environment of the Council and produce an integrated plan of IT work</li> </ul>	<b>Work in Progress</b>
<b>SS</b>	<b>Critical Friend / Ad Hoc Work</b>			
			<ul style="list-style-type: none"> <li>• None to date</li> </ul>	
<b>P&amp;I</b>	<b>Risk-based jobs</b>			
			<ul style="list-style-type: none"> <li>• None</li> </ul>	
<b>P&amp;I</b>	<b>Critical Friend / Ad Hoc Work</b>			
			<ul style="list-style-type: none"> <li>• None to date</li> </ul>	
<b>All</b>	All		Quarterly Follow Up of Recommendations Made	Completed Q1, Q2 & Q3
<b>Total on Managing Service Risks</b>				<b>300</b>

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<b>MANAGING PARTNERSHIP RISKS</b>				
LSP	All	2010/11	Working in Partnership: Developing a Toolkit	<b>Deleted</b>
LSP	All	New	Health & Wellbeing Board: Governance / Operating Arrangements	<b>Some governance development work will be completed in Q4.</b>
LSP	All		Business Continuity Arrangements, of the Council, Key Contractors and Partners	<b>Guidance has been produced and issued November 2011</b>
LSP	1, 3, 4, 5	2010 / 11	Children & Learning: Serious Case Review: Additional Support	<b>Supportive challenge is still being provided in this area.</b>
<b>Other Potential Reviews</b>				
LSP	1, 3, 4, 5	2010/11	• Follow up reviews of Deep Dives progress made in implementing findings	<b>Deleted</b>
			• Independent Living	
			• Mental Health	
			• Domestic Abuse	
LSP	All		• Cross Partner Reviews of the public experience of a jointly provided / support cross partner working	A Cross Partner Audit Committee Member Workshop held in July 2011. <b>No further work will be done in this area for the foreseeable future.</b>
<b>Total on Managing Partnership Risk</b>				<b>25</b>

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<b>KEY FINANCIAL SYSTEMS</b>					
<b>SS</b>	All	New	<b>Agresso Implementation</b> test check of transfer of opening balances	<b>To be tested in December 2011</b>	
				<b>Cedar / Delphi</b>	<b>Agresso</b>
<b>SS</b>	All	Annually	<b>*General Ledger</b> (Main Accounting)	<b>Work will be completed by 31 December 2011</b>	<b>Work in Progress</b>
<b>SS</b>	All	Annually	<b>*Accounts Payable</b> (Creditors)		
<b>SS</b>	All	Annually	<b>*Accounts Receivable</b> (Debtors)		
<b>SS</b>	All	Annually	<b>*Cash and Banking</b> (Income)		
<b>SS</b>	All	Annually	<b>*Payroll</b>		
<b>SS</b>	All	Annually	<b>Housing Rents</b>	<b>Work planned for Q4</b>	
<b>SS</b>	All	Annually	<b>Council Tax</b>		
<b>SS</b>	All	Annually	<b>Housing Benefit</b>		
<b>SS</b>	All	Annually	<b>National Non-Domestic Rates</b>		
<b>SS</b>	All	Annually	<b>Treasury Management</b>		
<b>Total on Key Financial Systems</b>				<b>200</b>	
<b>SCHOOLS</b>					
<b>C&amp;L</b>	3, 4, 5	Annually	<b>Schools Cyclical Reviews</b> including Financial Management	<b>Testing completed for the eight schools included in this cycle.</b>	
<b>Total on Schools</b>				<b>45</b>	

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<b>CORPORATE PROJECTS</b>				
<b>All</b>	All	New	Delivering the Savings Programme (joint review with PKF)	Completed September 2011
<b>All</b>	All		Delivery of Projects	<b>Field work complete</b>
<b>All</b>	All	2010 / 11	Grant Work	
		Not audited	<ul style="list-style-type: none"> <li>• Arrangements to comply with grant terms and conditions</li> </ul>	Completed September 2011 Approach and guidance re bidding for grants has been issued.
<b>ET&amp;E C&amp;L</b>			<ul style="list-style-type: none"> <li>• Sample check of compliance with grant terms and conditions</li> </ul>	Completed, various dates
<b>Critical Friend / Ad Hoc Work</b>				
<b>SS</b>	All	New	<ul style="list-style-type: none"> <li>• <b>Agresso Implementation Project</b></li> </ul>	<b>Completed November 2011</b>
<b>Total on Corporate Projects</b>				<b>60</b>

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<b>OTHER AUDIT WORK</b>				
<b>Corporate Fraud and Corruption Support</b>				
<b>ALL</b>	4, 5	New	<ul style="list-style-type: none"> <li>• Establishing appropriate arrangements to comply with the Bribery Act 2010</li> <li>• Establishing appropriate arrangements to prevent money laundering</li> </ul>	<p>An organisational risk assessment of potential exposure to bribery risks has been completed.</p> <p>Work is now on-going to deliver targeted advice and training to reduce identified risks.</p>
		Annually	<ul style="list-style-type: none"> <li>• Maintaining the corporate framework</li> </ul>	The Anti Fraud & Corruption, Whistleblowing and Anti Money Laundering Policies, Strategies and supporting Action Plan updated and reported to the Audit Committee in June 2011
		New	<ul style="list-style-type: none"> <li>• Setting up a data warehouse</li> </ul>	A Terms of Reference agreed <b>Work has been deferred to Q4 to jointly develop with the Corporate Fraud Investigation Team</b>
		Annually	<ul style="list-style-type: none"> <li>• <b>National Fraud Initiative</b></li> </ul>	<p>Data matches were received in January 2011 and allocated to services to review</p> <p>Audit Committee progress reports provided:</p> <ul style="list-style-type: none"> <li>• June 2011</li> <li>• Sept 2011</li> <li>• <b>Jan 2012</b></li> </ul>
<b>Grant Certification Work</b>				
			<ul style="list-style-type: none"> <li>• Stroke Care Grant</li> </ul>	Audit no longer required
			<ul style="list-style-type: none"> <li>• Contact Point</li> </ul>	Audit no longer required
			Potential Grant Certification Work	
			<ul style="list-style-type: none"> <li>• Play Builder Grant</li> </ul>	Audit not required

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<b>South Essex Homes</b>				
<b>SEH</b>	All	Annual	Separate Audit Plan	17 reviews in the 2011/12 Audit Plan of which: <ul style="list-style-type: none"> <li>• 4 completed</li> <li>• 1 work in progress</li> </ul>
<b>Total on Other Audit Work</b>				<b>167</b>
<b>MANAGING THE AUDIT PLAN</b>				
N/A	N/A	N/A	<b>Audit Planning and Resourcing</b>	
N/A	N/A	N/A	<b>Reporting to Management Team and Audit Committee</b>	
<b>Total on Managing the Audit Plan</b>				<b>90</b>
<b>APPROX TOTAL NUMBER OF AUDIT DAYS</b>				<b>1,100</b>

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KEY TO CORPORATE AIMS		KEY TO LEAD DEPARTMENTS	
<b>Corporate Aims</b>	<b>Reference</b>	<b>ACS</b>	Adults & Community Services
Safe	1	<b>C&amp;L</b>	Children and Learning
Clean	2	<b>ET&amp;E</b>	Enterprise, Tourism & the Environment
Healthy	3	<b>SS</b>	Support Services
Prosperous	4	<b>P&amp;I</b>	Policy & Improvement
Excellent	5	<b>LSP</b>	Local Strategic Partnership
		<b>SEH</b>	South Essex Homes

TIME ALLOCATION	INDICATIVE		REVISED	
	Days	%	Days	%
Managing the Business	160	12	130	12
Managing Service Risks	535	41	300	28
Managing Partnership Risks	60	4	30	2
Key Financial Systems	190	14	200	18
Schools	45	3	45	4
Corporate Projects	110	8	100	9
Other	167	12	167	15
Managing the Audit Plan	90	6	90	8
<b>TOTAL AVAILABLE</b>	<b>1,300</b>	<b>100</b>	<b>1,100</b>	<b>100</b>