

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
Managing the Business				
Excellent: Deliver cost effective, targeted, services that meet the identified needs of our community				
All	Ethical Governance To assess whether the council has appropriate policies and guidelines communicated to staff to uphold required ethical standards	Fraud Risk	Work scheduled to start in December 2014. Terms of Reference being agreed.	3
All	Management Information Quality To assess the accuracy and usefulness of information on which management rely to make decisions		Work scheduled for Jan to March 2015. Terms of Reference being produced.	3
PE	Contract Procedure Rules / Procurement Toolkit To contribute to the update of the Contract Procedure Rules and Procurement Toolkit as required	New Cross Cutting	Initial feedback provided October 2014 on first draft Contract Procedure Rules.	1
All	Contract Management Framework To assess the adequacy of the Council's contract management framework	Core	Interim feedback provided November 2014.	1
All	Compliance with Contract Procedural Rules – Proactive Fraud Work To assess whether services could produce tender and contract documentation to support spend in 10 randomly selected areas	Core	Completed November 2014.	1
All	Corporate Assurance Groups To assess whether key groups receive robust updates on delivery of key programmes and effectively challenge delivery		Draft report produced.	1

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
Key Financial Systems				
Excellent: Deliver cost effective, targeted, services that meet the identified needs of our community				
	To assess whether the key controls in each of the key financial systems effectively prevent or detect material errors on a timely basis to ensure that the financial statements are not materially incorrect.	Fraud Risk	<i>All those not in bold are either at work in progress stage or yet to start.</i>	1 & 5
CS	Accounts Payable (Creditors)			
CS	Accounts Receivable: General Debtors		Testing complete. Draft report being produced.	
PE	Accounts Receivable: Social Care Debtors			
CS	Business Rates		Testing complete. Draft report being produced.	
CS	Cash Receipting and Banking (Income)			
CS	Council Tax			
CS	General Ledger (Main Accounting System)			
CS	Housing Benefit		Testing complete. Draft report being produced.	
CS	Payroll			
CS	Treasury Management		Based on a history of good assurance opinions, a full audit will not be undertaken if key controls can be evidenced as still present.	
CS	Payroll To work with officers as they re-vamp payroll administration processes	In year risk	Interim feedback provided.	See above
CS	Teachers' Pensions To work with newly-appointed Payroll staff to ensure they fully understand the required controls and actions recommended by external audit	In year risk	Completed August 2014.	1 & 3

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
CS	Housing Benefit To work with officers as the quality assurance processes are strengthened	In year risk Core	Completed as part of Housing Benefit audit above.	1 & 5
Managing Service Delivery Risks				
Safe: Continue to reduce crime, disorder and anti-social behaviour				
PL	Licensing To assess whether licence applications are effectively and promptly processed and all due income is received	Core (R1) Fraud Risk	Work scheduled for October to December 2014. Terms of Reference being agreed.	3
PL	Parking Enforcement To provide an independent challenge to the service review of how the contract in this area is being managed in preparation for retendering the work. <i>(Focus of the review amended)</i>	Core (R2) Fraud Risk	Draft report being produced.	3
Clean: Ensure a well maintained and attractive street scene, parks and open spaces				
CS	Asset Management To assess whether there is robust management of counter parties to leases to ensure they adhere to lease terms and conditions	Core (R1) Fraud Risk	Deleted from annual plan following reduced number of auditor days due to Business Support Officer vacancy.	1 & 3
PL	Bridge Maintenance, Ad Hoc Footways and Carriage Maintenance, and Highways New Works Contracts To assess whether a sample of contracts are being effectively managed in the Transport and Highways team.	In year risk Core (R2) Fraud Risk	Complete December 2014.	1 & 3
Clean: Where possible minimise our impact on the natural environment				
PL	Waste Management To assess the effectiveness of contract management arrangements <i>Refer Contract Management audit below</i>	Core (R1) Fraud Risk	Work scheduled for January to March 2015. Terms of Reference being drafted.	3

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
Healthy: Continue to improve outcomes for vulnerable children and adults				
PE	Social Care Packages: Panel Decisions To assess whether decisions by officer panels on whether to award social care packages are robust	Core (R1) Fraud Risk	One of the two audits will be deleted from annual plan following reduced number of auditor days due to Business Support Officer vacancy.	3, 5 & 6
PE	Social Care Packages: Direct Payments To assess whether direct payments made are: <ul style="list-style-type: none"> • accurate • used for their intended purpose 	Core (R2) Fraud Risk		3, 5 & 6
PE	OFSTED Inspections of Children's Social Care Services and schools To assess whether any required improvements required by OFSTED inspections are effectively managed	Core (R1)	Draft report with service. To be discussed with management team early in January 2015.	8 & 10
PE	Children's Social Care Services – File Audit Framework To understand and assess the effectiveness of internal quality assurance and challenge processes	Core (R1)	Complete December 2014.	3, 5, 6 & 10
PE	Pupil Premium To assess whether schools have robust strategies and plans to effectively use pupil premium money and report on its use and outcomes <i>Sample of schools covered selected on a risk basis, and delivered through separate schools audit programme (below)</i>	In year risk	To be included in schools audits scheduled between September 2014 and March 2015.	8
PE	Child and Early Intervention Services To assess whether service areas are effectively working together to develop newly required Education and Health Care Plans (that replace Special Educational Needs statements)	Core (R2)	Work scheduled for January to March 2015.	5 & 6

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
PE	Troubled Families Intervention To challenge Troubled Families Grant returns in line with Department for Communities and Local Government requirements	Grant Claim	Claims reviewed: <ul style="list-style-type: none"> • August 2014, • October 2014 	5
PE	Safeguarding: Serious Case Review Action Plan Implementation (2013/14 audit) To assess whether the actions agreed, for Council departments, in the most recent Serious Case Review Action Plan for Baby AR have been implemented and are now effectively embedded into the day to day operation of the service.	Core (R1)	Complete December 2014.	3
PE	Safeguarding Reviews, Action Planning Workshop	In year risk Core (R1)	Completed July 2014. Workbook produced for, and training provided to support, staff when writing action plans following a serious case review.	3
PE	Serious Case Review, Action Planning	New Core (R1)	Completed November 2014. Worked with the LSBC Case Review Panel to develop an action plan from the serious case review report.	3
Healthy: Support Southend to be active and alive with sport and culture				
PL	Library Services To assess whether the new model of delivery is working effectively including recruiting and retaining sufficient volunteer capacity and managing branch libraries	In year risk (R3)	Deleted from annual plan following reduced number of auditor days due to Business Support Officer vacancy.	3
PL	The Forum Governance Arrangements (2013/14 audit) To assess whether appropriate arrangements, processes and agreements are in place or being developed, to establish and then manage the new shared central library building known as the Forum	In year risk	Complete December 2014.	1 & 3

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
Healthy: Reduce inequalities and increase the life chances of people living in Southend				
PE	Re-enablement and Occupational Therapy To assess whether there is a robust re-enablement strategy and processes to manage its delivery	Core (R1) Fraud Risk	Work scheduled for January to March 2015.	3, 5 & 6
PH	Public Health To assess whether there are robust controls to ensure Patient Group Directives: <ul style="list-style-type: none"> • are properly developed and authorised for use • payments are accurate 	Core (R2) Fraud Risk	Work in progress.	6
CS	Essential Living Fund (2013/14 audit) To assess whether there are robust procedures in place for the accurate, consistent, timely and appropriate award of grants from the Essential Living Fund and that arrangements to monitor expenditure against the fund are effective	Core	Testing complete. Draft report being produced.	1 & 5
Prosperous: Encourage the education, economy and prosperity of Southend and its residents				
All	Welfare Reform To assess whether there is clear understanding and management of the impacts of welfare reforms introduced to date and readiness for future reforms	In year risk	Work planned for December 2014 to February 2015. Terms of reference being agreed.	1 & 5
PE	Schools Audit Programme: Finance Management and Governance	Fraud Risk	See below for details. This programme of work is funded by schools directly and resourced through the framework contract.	8
Prosperous: Enable well-planned quality housing and developments that meet the needs of Southend's residents and businesses				
PL	Development Control To assess whether planning applications are effectively and promptly processed and all due income is received	Core (R1) Fraud Risk	Work scheduled for January and March 2015. Terms of Reference being produced.	7

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
PL	<p>Building Control – Proposed Essex-wide Community Interest Company (CIC)</p> <p>To work with officers to assess the potential financial and operational benefits and risks for the Council joining the proposed community interest company.</p>	In year risk	Feedback provided in October 2014 on initial proposals.	1
PL	<p>Traffic Regulation Orders</p> <p>To assess whether Traffic Regulation Orders are developed in line with statutory requirements and implemented effectively</p>	Core (R2)	Work in progress.	1 & 3
PL	<p>Capital Project Management</p> <p>To assess whether there robust arrangements to deliver individual capital projects effectively on time, on budget and to the required outcome</p>	Core (R1) Fraud Risk	Complete December 2014.	1 & 7
Excellent: Deliver cost effective, targeted, services that meet the identified needs of our community				
All	<p>External Grant Funding</p> <p>To assess whether grant terms and conditions are complied with</p>	Cross Cutting Fraud Risk	Work scheduled for January to March 2015.	3 & 5
All	<p>Continuous Auditing and Assurance</p> <p>To further develop and embed computer assisted processes that provide ongoing audit and management assurance</p>		Work in progress. This is mainly being undertaken alongside the key financial system audits.	1
All	<p>Contract Management</p> <p>To assess whether a sample of contracts are being effectively managed</p>	Cross Cutting Fraud Risk	Refer to Parking Enforcement, various contracts in Transport and Highways services and Waste Management jobs.	1 & 3
All	<p>Corporate Procurement Team</p> <p>To assess whether the Corporate Procurement Team is appropriately staffed and operating in a manner that complies with statutory requirements and recognised good practice.</p>	In year risk Core	Terms of Reference agreed. Audit start date being agreed.	1

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
PL	Contract Letting To provide a critical challenge to the process as three contracts are being prepared to go out to tender	New Core	Work scheduled for January and March 2015. Terms of Reference being produced.	1
All	Contract Management To assess whether a sample of contracts are being effectively managed	New Core	Two additional contract management jobs will be completed this year. Focus of the work still to be agreed.	1
PE	Procurement Review Group Requests To consider requests to grant exceptions to tendering requirements in line with the criteria set out in Contract Procedure Rules	Cross Cutting	Responded to four requests since June 2014.	1 & 3
PL	Local Transport Plan, A127 and Pothole Repair Grants To certify, in all significant respects, that the conditions attached to the grant have been complied with	Grant Claim	Completed September 2014.	3
CS	ICT procurement of equipment and software To assess whether the procurement of ICT equipment and software is well planned to ensure value for money	Core Fraud risk	Terms of Reference agreed. Work in progress.	1
CS	ICT capital works and infrastructure To assess whether the programme of ICT-related capital works and ongoing management of ICT assets ensures the ICT infrastructure meets the Council's service needs	Core	Detailed work scheduled for January to March 2015. Terms of Reference being produced.	1
CS	Benefits realisation from ICT Service re-design To assess whether there is evidence the new structures and processes are at an early stage delivering the required improvements in service outcomes	Core	Detailed work scheduled for January to March 2015. Terms of Reference being produced.	1

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
CS	<p>End User Devices (2013/14 audit)</p> <p>To assess the robustness of design and implementation of the IT End User Device Strategy framework designed to ensure key risks are managed.</p> <p><i>(Takes account of the assurance provided by certified compliance with central government's Public Sector Network requirements)</i></p>	Core	Work in progress.	1
All	<p>Working with the Counter Fraud and Investigations Team</p> <p>To follow up the work of the Counter Fraud and Investigations Team where investigations may identify the need for a subsequent audit</p>	Cross Cutting	<p>Supported one investigation by gathering and analysing information relating to a contract.</p> <p>Supported one planned proactive fraud jobs on contracts by analysing payments to third parties to provide a focus for further work.</p>	1 & 3

Implementing Recommendations

Excellent: Deliver cost effective, targeted, services that meet the identified needs of our community

All	<p>Reports to be followed up</p> <p>To check that recommendations made have been implemented, properly, in a timely manner.</p>	Core	<ul style="list-style-type: none"> • Disabled Facilities Grants, Complete November 2014. • Public Health Contract Management, Complete November 2014. • Parking Management Schemes, draft report being finalised with officers 	1 & 3
-----	--	------	--	-------

Managing Delivery of the Audit Plan

	Audit Planning, Resourcing			
	Managing Contractor Work			
	Reporting to Management Team and Audit Committee			
	Contingency			

Appendix 1: Internal Audit Plan 2014/15

Dept	Audit Activity	Work type *	Status as at 12 December 2014	Corporate Risk No #
Schools Audit Programme				
PE	<p>Full Audits covering finance, management and governance</p> <p>To assess whether effective arrangements are in place to develop and implement a suitable strategic framework as well as organise, manage and control the specified activities</p>	Fraud Risk	<p>23 schools to be audited in 2014/15 of which:</p> <ul style="list-style-type: none"> • seven final or draft reports issued • four are work in progress • 12 schools scheduled for January to March 2015. 	8
PE	<p>Reports to be followed up will be determined on the conclusion of the full audit undertaken at each school in the 2013/14 audit plan.</p> <p>To check that recommendations made have been implemented, properly, in a timely manner.</p>		<p>Nine schools are to have a follow up visit in 2014/15, of which:</p> <ul style="list-style-type: none"> • four final or draft reports issued • five schools scheduled for January to March 2015. 	8
PE	<p>Schools buying and selling using eBay and PayPal</p> <p>To provide advice on the controls needed to ensure purchases and sales through eBay and associated financial transactions using PayPal are secure, appropriate and value for money</p>	Fraud Risk	<p>Completed August 2014.</p> <p>Feedback provided to the Schools Finance Manager on the proposed arrangements. This feedback will form part of guidance issued to all schools.</p>	1, 3 & 8
Ad Hoc Work / Consultancy Work				
	None undertaken			

South Essex Homes				
PE	<p>Annual Audit Plan</p>		<p>16 audits scheduled for 2014/15, of which:</p> <ul style="list-style-type: none"> • five audits have been completed • three audits are in progress. 	3

Audit Plan Definitions

Departments:

- CS: Corporate Services
- PE: People
- PH: Public Health
- PL: Place

* **Core work** means those service activities that score as high risk (i.e. risk level 1 or 2 out of 4) from an audit perspective based on the criteria set out in the Internal Audit Strategy.

Corporate Risk Numbers (where numbers are missing, no planned audit coverage in 2014/15)

- 1 Balanced budget
- 3 Reputational damage
- 5 Financial implications of legislation and policy changes
- 6 Impact of health service reforms
- 7 Stalling regeneration
- 8 School Inspection Regime
- 10 Single Inspection for Children's Social Care