

APPENDIX 2: INTERNAL AUDIT PLAN 2012/13

DEPT	LAST AUDITED	PRIORITY H / M	AUDIT ACTIVITY	CURRENT STATUS AS AT 20 DECEMBER 2012
MANAGING THE BUSINESS				
BUSINESS MANAGEMENT PROCESSES				
All	Annual	H	<ul style="list-style-type: none"> • Manager Assurance Statements for 2011/12 	Completed August 2012.
All	Annual	H	<ul style="list-style-type: none"> • Corporate Assurance Statement 	Work in progress.
All			KEY CORPORATE BUSINESS PROCESSES	
	2008/09	M	<ul style="list-style-type: none"> • Risk Management: Updating Current Processes 	Work in progress.
Business Management Processes				50 days
KEY FINANCIAL SYSTEMS				
Finishing 2011/12 Systems Audit				
SS / ACS	Annual	H	Reporting on all outstanding work: <ul style="list-style-type: none"> • Council Tax • NNDR • Housing Benefits • General Ledger • Accounts Receivable • Accounts Receivable, Social Care Debt • Payroll • Cash & Bank • Treasury Management • Income Stream – Older People in Residential Care 	Final action plans were issued in November 2012.
			Completing the audits of:	
F&R	Annual	H	<ul style="list-style-type: none"> • Accounts Receivable (Debtors) 	
ACS	Annual	H	<ul style="list-style-type: none"> • Accounts Receivable: Social Care Debtors 	
F&R	Annual	H	<ul style="list-style-type: none"> • Accounts Payable (Creditors) 	
HR&C	Annual	H	<ul style="list-style-type: none"> • Payroll 	

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2012/13 Audit				Design	
				Testing	
SS / ACS	Annual	H	<ul style="list-style-type: none"> Summary Financial Systems Audit Report 	To be drafted as soon as the systems control weaknesses are agreed with officers. Work in progress Planned for January to April 2013	
F&R	Annual	H	<ul style="list-style-type: none"> Council Tax 		
F&R	Annual	H	<ul style="list-style-type: none"> National Non-Domestic Rates 		
F&R	Annual	H	<ul style="list-style-type: none"> Housing Benefit 		
F&R	Annual	H	<ul style="list-style-type: none"> General Ledger (Main Accounting) 		
F&R	Annual	H	<ul style="list-style-type: none"> Accounts Receivable (Debtors) 		
ACS	Annual	H	<ul style="list-style-type: none"> Accounts Receivable: Social Care Debtors 		
F&R	Annual	H	<ul style="list-style-type: none"> Accounts Payable (Creditors) 		
HR&C	Annual	H	<ul style="list-style-type: none"> Payroll 		
F&R	Annual	H	<ul style="list-style-type: none"> Cash and Banking (Income) 		
F&R	Annual	H	<ul style="list-style-type: none"> Treasury Management 		
F&R	Not reviewed	H	<ul style="list-style-type: none"> VAT 		Work will be completed in each relevant systems job.
Key Financial Systems					320 days
All	Quarterly	H	<ul style="list-style-type: none"> Follow Up of Recommendations Made 	Completed Q1, Q2 & Q3	
Implementing Recommendations				50 days	
TOTAL: MANAGING THE BUSINESS				420 days	
DELIVERING SERVICES					
MANAGING SERVICE RISKS					
ACS			RISK BASED JOBS Adult Commissioning		
			<ul style="list-style-type: none"> To be determined 	One audit to be identified and agreed with Corporate Director from list on page 9.	

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			Community Strategy & Development	
		H	<ul style="list-style-type: none"> Health & Wellbeing Board Governance Arrangements 	Planned for Q4.
			Culture	
			<ul style="list-style-type: none"> No work planned this year 	
C&L			RISK BASED JOBS	
			Children's Specialist Services	
		H	<ul style="list-style-type: none"> Serious Case Review Action Plan Implementation across partners 	Testing to be completed by each partner's internal audit team mid November 2012.
			School Support & Preventative Services	
			<i>Schools</i>	
		H	<ul style="list-style-type: none"> Full Audits (2) 	Terms of Reference are being drawn up for these reviews.
		H	<ul style="list-style-type: none"> Follow Up Audits – School A 	<p>Work to follow up actions from previous report has been completed.</p> <p>This has been discussed with the Head teacher and presented to the school's Governing Body in December 2012.</p> <p>A full audit is to now to be undertaken – see above.</p>
		H	<ul style="list-style-type: none"> Follow Up Audits School B 	<p>Initial baseline review of the school's financial and governance arrangements has been completed.</p> <p>Draft report produced.</p>
		H	<ul style="list-style-type: none"> Thematic Review: Procurement and or Contract Letting & Management 	<p>Terms of Reference are being produced for a procurement review.</p> <p>All schools will be surveyed about their arrangements.</p> <p>The results will then be analysed to help select the schools where more detailed testing will be undertaken.</p>

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		H	<ul style="list-style-type: none"> Adult Community College: Full Audit 	Terms of Reference produced with an agreed start date of January 2013.
			CRITICAL FRIEND / UNPLANNED WORK	
		N/A	<ul style="list-style-type: none"> Induction days / Attendance at Events / Review Meetings 	Staff have attended review meetings during this period.
LSCB	2011/12	H	<ul style="list-style-type: none"> Children & Learning: Serious Case Review: Additional Support 	Supportive challenge being provided to help ensure appropriate recommendations are made to address control failures identified during a serious case review.
		N/A	<ul style="list-style-type: none"> Development of Schools Risk Assessment Process 	Work in progress.
			<ul style="list-style-type: none"> School C 	This investigation has now been completed. A baseline review of the schools financial and governance arrangements is being planned – see above.
ET&E			RISK BASED JOBS	
			Enterprise, Tourism & Regeneration	
			<ul style="list-style-type: none"> No work planned this year as no identified high priority audit areas in 2012/13. 	
			Planning and Transport	
		H	<ul style="list-style-type: none"> Parking Management Schemes 	Terms of Reference agreed. Audit to start in January 2013.
		H	<ul style="list-style-type: none"> Permit Scheme for Road Works 	Initial feedback provided prior to the scheme commencing. Draft memo being finalised.
		H	<ul style="list-style-type: none"> Processing Planning Applications 	Will be undertaken if resources allow.
			Public Protection	
		H	<ul style="list-style-type: none"> Operation of Regulatory Services following restructure 	Will be undertaken if resources allow.

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			Business Support Team	
		H	<ul style="list-style-type: none"> Operation of the Teams following restructure 	Will be undertaken if resources allow.
SS			RISK BASED JOBS	
			Customer Services	
		H	<ul style="list-style-type: none"> Passenger Transport: Contract Management 	Will be undertaken if resources allow.
			ICT	
		H	<ul style="list-style-type: none"> Service Review of the IT Function 	Draft report has been produced and discussed with officers.
		H	<ul style="list-style-type: none"> Penetration Testing of Council IT Systems 	Terms of Reference produced.
			Finance and Resources	
		H	<ul style="list-style-type: none"> Delivering Savings Spot Checks 	Work in progress.
F&R	Not reviewed	H	<ul style="list-style-type: none"> Agresso Software Application, Automated Control Framework 	<p>Initial draft report being finalised.</p> <p>Newly implemented change control arrangements being assessed in December 2012.</p> <p>Automated controls to be tested once assurance is obtained that the change management arrangements can be relied upon.</p>
			HR & Communications	
		H	<ul style="list-style-type: none"> Management of Employee Relations Cases 	Work in progress.
			Trading Companies	
		H	<ul style="list-style-type: none"> Development of the Council's Monitoring Role 	Terms of Reference being produced.
			Revenues and Benefits	
		H	<ul style="list-style-type: none"> New Council Tax Benefit Arrangement / Hardship Fund 	In discussion with the service to decide when the system design work needs to be undertaken.
		H	<ul style="list-style-type: none"> New NNDR / Universal Credit Arrangements 	The service will be contacted shortly to assess when the system design work is needed.

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			CRITICAL FRIEND / UNPLANNED WORK	
			<ul style="list-style-type: none"> Agresso Implementation Phase 2. Attendance at Board / Challenging System Design 	This will continue for the duration of the project.
PH			RISK BASED JOBS	
		H	<ul style="list-style-type: none"> Operation / integration of Public Health Systems, Processes and Contracts 	Initial scoping of work completed September 2012. Focus for 2012/13 will be to monitor the integration of the Public Health Service into the Council by March 2013.
		H	<ul style="list-style-type: none"> Management of Commissioning Contracts to obtain best value 	
CROSS CUTTING SERVICE RISKS				
All			COMPLIANCE TESTING	
		H	<ul style="list-style-type: none"> Correctly Charging for Services 	One audit will be undertaken if resources allow.
		H	<ul style="list-style-type: none"> Compliance with Contract Procedure Rules 	
TOTAL: MANAGING SERVICE RISKS 225 days				
GRANT CLAIMS WORK				
			<ul style="list-style-type: none"> Local Transport Plan 	Completed September 2012.
TOTAL: GRANT CLAIMS WORK 10 days				
UNPLANNED WORK				
C&L		N/A	<ul style="list-style-type: none"> Contract letting and management (School C) 	Work in progress.
		N/A	<ul style="list-style-type: none"> Troubled Families Programme - Funding Scheme 	Initial discussions held with officers to support the development of robust evidenced based monitoring records.

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ACS C&L		N/A	<ul style="list-style-type: none"> Protecting data in hard copy files (linked to Information Management Working Group above) 	Completed October 2012. Relevant feedback provided.
		N/A	<ul style="list-style-type: none"> Priory Museums and Outbuildings Contract 	Terms of Reference being produced.
TOTAL: UNPLANNED WORK				20 days
MANAGING THE AUDIT PLAN				
			Audit Planning, Resourcing and Managing the IT audit work	
			Reporting to Management Team and Audit Committee	
TOTAL: MANAGING THE AUDIT PLAN				35 days
WORK CARRIED FORWARD FROM 2011/12				
NON FINANCIAL SYSTEMS WORK				
Key Corporate Business Processes				
All	Not audited	H	Performance Management in Departments	Completed September 2012.
All	2006/07	H	Performance Management, focus team plans and staff appraisals (all directorates)	Completed September 2012.
Risk Based Jobs				
C&L	Not Audited	H	Home to School Transport	Completed August 2012.
ET&E	Not Audited	H	Monitoring / Management of Contracts – Pier Arches	Completed October 2012.
Unplanned / Ad Hoc Work				
SS		N/A	Letting and Management of the Print Room Contract	Completed March 2012.

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Key Corporate Business Processes				
SS	2011/12	H	Information Management Working Group (An agreed extension to this audit has been included in the unplanned work section)	Completed November 2012.
Risk Based Jobs				
ET&E	Not Audited	M	Monitoring / Management of Contracts - Ad Hoc Maintenance Contract for Highways	Work in progress.
Unplanned / Ad Hoc Work				
C&L	N/A	H	Compliance with Financial Procedures (School B)	Completed September 2012.

TOTAL: SBC AUDIT DAYS	705 days
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SOUTH ESSEX HOMES

SEH	Annual	Various	Separate Audit Plan, including Housing Rents System and Following Up Action Plans	14 Audit Reviews planned: <ul style="list-style-type: none"> • 4 completed • 1 work in progress
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TOTAL: SOUTH ESSEX HOMES	122 days
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HIGH PRIORITY AUDITS REMOVED FROM 2012/13 AUDIT PLAN

ACS	Not reviewed	H	Commission and Procurement: Understanding Current Arrangements	Replacement audit to be identified and agreed with Corporate Director.
	Not reviewed	H	Re-enablement Programme for Independent Living	
	Not reviewed	H	Reorganisation of Integrated Locality Teams	
	Not reviewed	H	Disability Facilities Grant	
	Not reviewed	H	Use of Volunteers	This is now the subject of a scrutiny project so this audit has been deleted.

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SS	Not reviewed	H	Disaster Recovery Plan to Level 4	Postponed until 2013/14 at the service's request.
	Not reviewed	H	Budgetary Control Processes applied by Accountancy with Services	Postponed until April / May 2013 at the service's request.
ALL	Cyclical	H	Income Stream (to be selected)	No longer required as part of key financial systems work.

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RESOURCE ALLOCATION		
	% OF AUDIT PLAN	% OF AUDIT DAYS
Business Management Processes	7	6
Key Financial Systems	25	39
Implementing Recommendations	5	6
Managing Service Risks	36	25
Grants	1	2
Ad Hoc Work	6	3
Managing the Audit Plan	3	4
TOTAL FOR SBC	83	85
South Essex Homes	17	15
TOTAL	100%	100%

KEY TO LEAD DEPARTMENTS	
ACS	Adults & Community Services
C&L	Children and Learning
ET&E	Enterprise, Tourism & the Environment
SS	Support Services
PH	Public Health
SEH	South Essex Homes