

Appendix 1: Internal Audit Plan 2017/18

Dept	Council activity and focus of audit work	Fraud risk	Status as at 5th January 2018 <i>(changes in bold)</i>
Managing the Business			
Aim: Excellent			
CE	<p>Asset Register</p> <p>To assess the arrangements for ensuring there are accurate and complete records for managing the Council's assets.</p>	Yes	Deleted as external audit provides some cover of this annually.
All	<p>Corporate Complaints Stage 1 and 2</p> <p>To assess whether Stage 1 and 2 complaints are effectively managed in line with a clear policy framework.</p>	No	Draft report produced.
PL / PE	<p>Departmental Project Governance Arrangements</p> <p>To assess how robust the Department of Place internal management assurance arrangements are for effectively monitoring the progress and successful delivery of its projects.</p>	No	Draft report being discussed with client.
CE	<p>Emergency Planning</p> <p>To assess whether Southend-on-Sea Borough Council has robust arrangements in place for responding to a civil emergency, in line the requirements of the Civil Contingencies Act 2004 and other relevant good practice / updates.</p>	No	Draft report being produced.
CE	<p>Information Governance, General Data Protection Regulation</p> <p>To assess how well the Council is progressing with its preparations for implementing the new requirements of the General Data Protection Regulations, which come into force in May 2018.</p>	No	<p>Terms of Reference agreed.</p> <p>Planned to start mid January 2018.</p>
PL	<p>IT Risk Assessment</p> <p>To undertake a baseline assessment of IT risks against a standard good practice framework and use this to develop the IT element of the Audit Plan going forward.</p>	No	Work in progress.
All	<p>Risk Management</p> <p>To work with the Council to embed risk management into its day to day operations.</p>	No	<p>Corporate Management Team session held 6th December 2017.</p> <p>No further work is proposed at present.</p>

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Implementing Action Plans			
CE	<ul style="list-style-type: none"> Business Continuity 	No	Draft report being produced.
Managing Service Delivery Risks			
Aim: Safe			
PE	<p>Management Response to Quality Assurance Audits</p> <p>To assess whether senior management's revised arrangements for ensuring prompt action is taken to address the improvements required where a children's social care file is assessed as 'inadequate' or 'inadequate critical', are operating effectively to minimise the risk to Children.</p>	No	Work in progress.
PE	<p>Child Residential Placements</p> <p>To assess whether the panels established to oversee and challenge proposed child residential care placements, are operating effectively and making appropriate placement decisions.</p>	Yes	Work in progress.
PL	<p>Community Safety Partnership</p> <p>To assess whether:</p> <ul style="list-style-type: none"> the Council receives adequate assurance from the Community Safety Partnership that it is meeting its obligations in achieving community safety outcomes for local residents resources attributed by the Council to the work of the Community Safety Partnership are being used effectively to achieve the Council's priorities and that these contribute to the overall community safety priorities for Southend. 	No	Draft report produced.
PE	<p>Drug and Alcohol: Contract Management</p> <p>To assess whether contracts are being effectively managed.</p>	Yes	This work has been deleted as the service is in the process of re-letting these contracts.

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PE	<p>Early Help and Family Support: Quality Assurance Tool</p> <p>To assess the robustness of the Quality Assurance Framework operated by the Early Help Family Support team which is designed to provide management with good quality, independent evidence that cases are being managed in accordance with relevant assessment and / or legislative guidance.</p>	Yes	<p>This work is being postponed until 2018/19 when audit resources will be available.</p>
PE	<p>Learning Services, Education Related Performance Indicators</p> <p>To assess whether performance indicators (PIs), for a sample of education-related activities, are:</p> <ul style="list-style-type: none"> • designed to provide appropriate evidence that service objectives are being delivered • properly produced and used effectively. 	Yes	<p>Draft report with Head of Internal Audit to review.</p>
PE	<p>Ofsted Improvement Plan</p> <p>To assess whether the Council has established appropriate arrangements to address a selection of the recommendations raised in the July 2016 Ofsted report and confirm these are now embedded into the day to day working practices.</p>	No	<p>Draft report being produced.</p>
PE / PL	<p>Social Care IT Case Management System, Project Implementation (Liquid Logic)</p> <p>To provide a framework to enable an assessment to be made of the readiness of the new Social Care IT Case Management System for Children's and Adults services to 'Go Live'.</p> <p>To independently challenge and report on the Project Team's assessment against the success criteria within the framework, prior to any decision being made by the Project Board to 'Go Live'.</p>	No	<p>Children's Services 'Go Live' Lessons Learned Draft Report being discussed with clients.</p> <p>Adults Services 'Go Live' approach being developed.</p>
PE	<p>Social Care Payments to Individuals and Providers</p> <p>To assess whether the control framework being designed into the new Liquidlogic case management system and the ContrOCC finance module, is robust enough to ensure that accurate and timely social care payments are made to individuals and providers.</p>	Yes	<p>Draft report being produced.</p>
PE	<p>Special Education Needs</p> <p>To assess the arrangements for ensuring all Special Educational Need (SEN) Statements are converted to Education Health and Care (EHC) Plans by the 2018 deadline.</p>	Yes	<p>Deleted. In year risk mitigated due to officers' actions.</p> <p>Audit now planned for 2018/19.</p>

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Implementing Action Plans			
PE	<p>Children's Services Safeguarding Performance Indicators</p> <p>To assess the progress made in improving the robustness of arrangements for producing performance data for nationally reported safeguarding indicators.</p>	No	This work is being postponed until 2018/19 when the new Social Care IT Case Management system is operational.
PE	<ul style="list-style-type: none"> • Financial Monitoring of Direct Payments 	Yes	Report issued January 2018.
PE	<ul style="list-style-type: none"> • Mental Health Direct Payments 	Yes	Report issued October 2017.
PL	<ul style="list-style-type: none"> • Licensing 	Yes	Report issued January 2018.
PE	<ul style="list-style-type: none"> • Social Care IT Case Management System Contract Procurement 	Yes	Report issued January 2018.
Aim: Clean			
PL	<p>Recycling, Waste and Street Cleansing Services Contract Management</p> <p>To assess whether the Recycling, Waste and Street Cleansing Services contract is being effectively managed.</p>	Yes	Planned for February / March 2018.
PL	<p>Southend Energy Partnership (OVO)</p> <p>To assess the adequacy of the arrangements for monitoring delivery of the expected benefits for both the Council and local residents from the partnership arrangements entered into with Ovo Energy Limited to create the Southend Energy brand.</p>	Yes	Report issued January 2018.
Aim: Healthy			
PE	<p>Adult Care Transformation Project Risk Assessment</p> <p>To map and assess the risks relating to and assurances in place to ensure the changes being made to service delivery arrangements are effectively implemented.</p>	No	Initial risk assessment produced and will be used to inform the 2018/19 planning process.

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PE	<p>Commissioning Partners' Governance Arrangements</p> <p>To assess the adequacy of governance arrangements for defining and delivering the intended outcomes for stakeholders from the joint commissioning work undertaken by the Council and the Clinical Commissioning Group.</p>	Yes	<p>Rescheduled for 2018/19.</p> <p>The initial risk assessment (see below) will be further developed whilst producing the terms of reference for this audit.</p>
PE	<p>Integrated Commissioning Risk Assessment</p> <p>To map and assess the risks relating to and assurances in place to ensure the manner in which this operates effectively and tangibly contributes to the delivery of corporate objectives.</p>	No	<p>Initial risk assessment produced and will be used to inform the 2018/19 planning process.</p>
PE	<p>Local Authority Trading Company (LATC)</p> <p>To evaluate the Council's arrangements for monitoring the delivery of service delivery targets set out in the Block Contract with the LATC.</p>	No	<p>This work is being postponed until 2018/19 when audit resources will be available.</p>
PE	<p>Section 75 Agreement with South Essex Partnership University NHS Foundation (SEPT) for Mental Health Services</p> <p>To assess the robustness of the Council's arrangements for monitoring the delivery of social care services to adults of working age as set out in the Section 75 partnership agreement.</p>	Yes	<p>This work is being postponed until 2018/19 when audit resources will be available.</p>
Implementing Action Plans			
PE	<ul style="list-style-type: none"> • Family Mosaic Contract Management 	Yes	<p>Deleted as this service area has now been restructured.</p>
PL	<ul style="list-style-type: none"> • The Forum Governance Arrangements 	Yes	<p>Deleted. The current status of the report has been discussed with the Deputy Chief Executive (Place).</p> <p>No further audit action will be taken.</p>

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Aim: Prosperous			
PL	<p>Airport Business Park Project Assurance</p> <p>To provide support and independent challenge to management in the development of benefits management controls, designed to help ensure the project can demonstrate achievement of its expected benefits,</p>	Yes	Work in progress.
PE	<p>Better Queensway</p> <p>To assess whether effective project processes have been established for delivering the Better Queensway Project within the intended timeframes, so it achieves the expected benefits.</p>	Yes	Report issued January 2018.
PL	<p>Car Park Management Contract (Lot 1) Contract Management</p> <p>To assess whether there are robust arrangements in place to ensure that the car park compliance (Lot 1) contract is delivering the planned outcomes and / or benefits in compliance with the specified performance and quality standards, at the correct cost / price.</p>	Yes	Terms of reference being agreed.
PL	<p>Car Park Management Contract (Lot 2) Contract Management</p> <p>To assess whether the Car Park Management arrangements (cash collection) as part of the Parking Management contract are being effectively managed.</p>	Yes	Terms of reference being agreed.
PE	<p>Corporate Procurement Team, Procure to Pay (P2P)</p> <p>To assess the effectiveness of the arrangements for monitoring non- contract Procure to Pay (P2P) spend, focusing particularly on those areas that do not comply with the order, goods receipt and invoice process.</p>	No	Current status report issued to management August 2017.
PL	<p>Highways Contract Management</p> <p>To assess whether the highways block of contracts are being effectively managed.</p>	Yes	Planned for February / March 2018.
PL	<p>Highways Contract Management: Use of the Insights System (Symology)</p> <p>To assess the robustness of the Council's arrangements for properly instructing the contractor to undertake work, confirm work has been done and payment due is accurate.</p>	Yes	This work is being postponed until 2018/19 when audit resources will be available.

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CE	<p>Leases and Licences</p> <p>To assess whether the Council effectively manages its leases and licences as well as receiving all income due from them.</p>	Yes	Draft report with Head of Internal Audit to review.
Implementing Action Plans			
PL	<ul style="list-style-type: none"> • Airport Business Park Project Assurance 		Report issued January 2018.
PE	<ul style="list-style-type: none"> • Corporate Procurement Team, Procure to Pay (P2P) 	Yes	Work in progress.
PE	<ul style="list-style-type: none"> • Housing Allocations 	Yes	Report issued January 2018.
PE	<ul style="list-style-type: none"> • “P” Cards 	Yes	Work in progress.
CE	<ul style="list-style-type: none"> • Right to Buy 	Yes	Report issued December 2017
Aim: Excellent			
CE	<p>Debt Management</p> <p>To assess whether the new corporate Debt Management strategy is being properly and consistently applied.</p>	Yes	This work is being postponed until 2018/19 when the new Debt Management Strategy (to be presented to Cabinet in November 2017) has been embedded.
CE	<p>Housing Benefit: Risk Assessment of New Claims</p> <p>To work proactively with officers to provide assurance that the proposed new automated risk profiling arrangements to determine the level of verification checks required to confirm entitlement, will be fit for purpose.</p>	Yes	The need for this work is being reassessed as a result of the roll out of Universal Credit for all new claims.
PE	<p>Pre-payment Cards: Letting of Contract</p> <p>To assess whether effective arrangements are being developed to manage the issue of as well as approve and monitor expenditure on, pre-payment cards given to clients:</p> <ul style="list-style-type: none"> • in receipt of direct payments • where the Council acts as the official receiver for Court Protection purposes. 	Yes	<p>Draft Terms of Reference with Head of Internal Audit to review.</p> <p>Some initial critical friend work has commenced.</p>

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Implementing Action Plans			
PE	<ul style="list-style-type: none"> Section 75 Partnership Agreement, Integrated Equipment Service 	Yes	Report Issued October 2017.
PL	<ul style="list-style-type: none"> Works Contract Letting, St Helen's Roman Catholic School 	Yes	Report issued January 2018.
Aim: All			
CE	<p>Apprenticeship Levy</p> <p>To assess the Council's arrangements for using the levy to develop an effective apprenticeship scheme.</p>	Yes	Postponed until 2018/19 when the Council's scheme will be developed.
PL	<p>IT Change Management</p> <p>To assess the adequacy and effectiveness of the Council's formal processes that ensure any changes to the IT environment (e.g. through applications or infrastructure) are introduced in a controlled and coordinated manner to minimise the risk of disruption to Council services.</p>	No	Draft report being discussed with client.
PL	<p>Agresso System Access Controls</p> <p>To assess whether there are adequate arrangements in place for ensuring that at any point in time, individual staff members' access to the functions within the Agresso system is in accordance with the needs of their job role.</p>	Yes	Draft report being produced.
CE	<p>Payroll, Self-Serve Mode</p> <p>To assess whether the new arrangements for processing and approving expense, mileage and overtime allowance claims are working effectively.</p>	Yes	Terms of reference agreed. Fieldwork planned for February / March 2018.
PL	<p>Smart City Project</p> <p>To:</p> <ul style="list-style-type: none"> establish the remit and content of the SMART City Project determine Internal Audit's approach to providing appropriate assurance over the lifecycle of the project. 	Yes	Initial risk assessment produced and will be used to inform the 2018/19 planning process.
Implementing Action Plans			
PL	<ul style="list-style-type: none"> IT Infrastructure and Asset Management 	No	Planned for March 2018.

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CE	<ul style="list-style-type: none"> Welfare Reform 	No	Report issued December 2017.
Key Financial Systems			
Aim: All Aims			
CE	<p>Financial systems work to support the production of the Council's Financial Statements</p> <p>To confirm that key controls in each of the key financial systems:</p> <ul style="list-style-type: none"> are designed to prevent or detect material financial errors, and have been in place during 2017/18 and therefore, can be relied when producing the Council's Statement of Accounts. 	Yes	Planned for February 2018.
CE	<p>Payroll Revisited</p> <p>To check that actions agreed have been effectively implemented and are now embedded into the day to day operation of the service.</p>	Yes	Report issued November 2017.
CE	<p>Other Key Financial Systems</p> <p>Approach to this work is still to be confirmed.</p> <p>To use computer-assisted audit techniques (CAATs) to automate audit testing and allow for a deeper analysis of large data sets.</p>	Yes	Risk assessments produced and will be used to inform the 2018/19 planning process.
Grant Claims			
	To certify, in all significant respects, that the conditions attached to the grant have been complied with.		
PL	<ul style="list-style-type: none"> BEST Growth Hub 	Yes	It has been agreed with Essex County Council that this work is no longer required.
PL	<ul style="list-style-type: none"> Coastal Communities Fund 	Yes	Deleted as the Council did not receive any grant funds in 2016/17.
PE	<ul style="list-style-type: none"> Disabled Facilities Capital Grant Determination 	Yes	Completed.

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PL	<ul style="list-style-type: none"> Highways Maintenance Challenge Fund 	Yes	Completed.
PL	<ul style="list-style-type: none"> Local Transport Capital Block Funding 	Yes	Completed.
PL	<ul style="list-style-type: none"> Local Growth Fund 	Yes	Completed.
PL	<ul style="list-style-type: none"> Pothole Action Fund 	Yes	Completed.
CE	<ul style="list-style-type: none"> Mentoring Fund 	No	Completed.
PE	<p>Troubled Families Programme, Payments by Results Scheme Grant</p> <p>To challenge Troubled Families Payment By Result (PBR) Grant returns are in line with the Department for Communities and Local Government requirements.</p>		Reported on May, July, Sept and Oct 2017 submissions.
Advice and Support			
To provide independent review, support and challenge to assist with the delivery of the groups' objectives and work programme.			
	<p>Attendance at Groups</p> <p>To provide supportive, critical challenge as required</p>		
	<ul style="list-style-type: none"> External Grant Funding Group 		Attend as required.
	<ul style="list-style-type: none"> Good Governance Group 		The Head of Internal Audit attends.
PE	<p>Early Years Funding – Nursery Settings in Schools</p> <p>To assess the effectiveness of the arrangements currently in place and being developed within the funded childcare provision to ensure:</p> <ul style="list-style-type: none"> the accuracy of the funding being approved by the Group Manager, Early Years providers are fulfilling their duties in line with the provider agreements. 	Yes	Work in progress. Specific work will be completed when the January 2018 census is completed.
PL	<p>The Hive Business Incubation Centre</p> <p>To assess the robustness of arrangements for setting up and monitoring the delivery of the City Deal outputs detailed in the Service Level Agreement with the provider (Enterprise 4 Good) in relation to “The Hive” Business Incubation Centre.</p>	Yes	Internal management report being finalised with client.

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All	<p>Potential Corporate Project Governance Approach</p> <p>To assess whether the Property, Regeneration and Strategic Projects team capital projects, project management approach (the PR&SPT's project management approach) could be effectively utilised as the corporate standard when managing a project.</p>	No	<p>Draft report being discussed with client.</p>
PL	<p>Rechargeable Works</p> <p>To assess whether the processes for collecting income for accidental damage to the highway have been effectively embedded into day to day working.</p>	Yes	<p>The need for this work is being reassessed due to delays in implementing a new system and a change in the risk profile.</p> <p>Ad hoc advice is being provided on the new processes being developed.</p>
CE	<p>RIPA</p> <p>To work with the Counter Fraud & Investigation Directorate to provide the Director of Legal & Democratic Services with support to set up a process for auditing the use of social media sites and the internet for investigative or official business, across all departments, in line with the requirements of the Council's RIPA Policy.</p>	No	<p>Initial discussion held.</p>
PL	<p>Safety of Gas Boilers in the Council Estate</p> <p>To assess whether robust processes have and are being followed by Southend on Sea Borough Council (the Council) when examining issues raised by a complainant regarding potential non-compliance with Gas Safety (Installation and Use) Regulations.</p>	Yes	<p>Work completed and feedback provided.</p>
PL	<p>Safety of Gas Boilers in the Council Estate Action Planning</p> <p>To provide support and challenge to the department to ensure a robust action plan is developed to improve the process for managing the Councils gas contract.</p>	Yes	<p>Work completed. Support and challenge provided whilst action plan was being developed.</p>

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Schools Audit Programme			
Aim: Prosperous			
PE	Schools Audit Programme To assess whether individual schools have adequate and effective governance, information and asset management as well as financial management and reporting arrangements in place.		
	<ul style="list-style-type: none"> • Earls Hall Primary School 	Yes	Report issued November 2017.
	<ul style="list-style-type: none"> • Leigh North Street Primary School 	Yes	Report issued December 2017.
Other Clients			
PE	Adult Social Care Local Authority Trading Company To develop an internal audit risk assessment, Charter, Strategy and Audit Plan for 2017/18.	Yes	Research completed. Approach to this is being considered in the context of the 'Alternative Delivery Models' report to the November 2017 Cabinet.
Managing Delivery of the Audit Plan			
	Audit Planning, Resourcing		
	Managing Contractor Work		
	Reporting to Management Team and Audit Committee		
	Contingency		
	Preparing for statutory, independent external assessment against UK Public Sector Internal Audit Standards		

Implementing action plans

The objective of this work is to check that actions agreed have been effectively implemented and are now embedded into the day-to-day operation of the service.