

## Appendix 2: Internal Audit Plan 2017/18

Dept	Council activity and focus of audit work	Fraud risk	Status as at 11 <sup>th</sup> July 2018 <i>(changes in bold)</i>
<b>Managing the Business</b>			
<b>Aim: Excellent</b>			
CE	<p><b>Asset Register</b></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.
PL / PE	<p><b>Departmental Project Governance Arrangements</b></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	Report issued April 2018.
CE	<p><b>Emergency Planning</b></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	Interim management report provided to officers for information.
CE	<p><b>Information Governance, General Data Protection Regulation</b></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	Interim management report provided to officers for information.
PL	<p><b>IT Risk Assessment</b></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	Report issued February 2018.
All	<p><b>Risk Management</b></p> <p>To work with the Council to embed risk management into its day to day operations.</p>	No	Corporate Management Team session held 6th December 2017.  No further work undertaken.
<b>Implementing Action Plans</b>			
CE	<ul style="list-style-type: none"> <li>• <b>Business Continuity</b></li> </ul>	No	Report issued March 2018.

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<b>Managing Service Delivery Risks</b>			
<b>Aim: Safe</b>			
PE	<p><b>Management Response to Quality Assurance Audits</b></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	<p>Work in progress. This was delayed because of the Ofsted inspection in March 2018.</p> <p><b>Moved into the 2018/19 Audit Plan.</b></p>
PE	<p><b>Child Residential Placements</b></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	Report issued April 2018.
PE	<p><b>Drug and Alcohol: Contract Management</b></p> <p>To assess whether contracts are being effectively managed.</p>	Yes	This work was deleted as the service was in the process of re-letting these contracts.
PE	<p><b>Early Help and Family Support: Quality Assurance Tool</b></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>Deleted to reduce the size of the Audit Plan.</p> <p>The risk was reassessed as part of the next planning round.</p>
PE	<p><b>Learning Services, Education Related Performance Indicators</b></p> <p>To assess whether performance indicators (PIs), for a sample of education-related activities, are:</p> <ul style="list-style-type: none"> <li>• designed to provide appropriate evidence that service objectives are being delivered</li> <li>• properly produced and used effectively.</li> </ul>	Yes	Report issued January 2018.

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PE	<p><b>Ofsted Improvement Plan</b></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	Work completed and feedback provided.
PE / PL	<p><b>Social Care IT Case Management System, Project Implementation (Liquid Logic)</b></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 Report issued March 2018.</p> <p>Action plan implementation position statement. Briefing memo issued April 2018.</p> <p><b>Adults Services 'Go Live' report issued July 2018. (part of the 2018/19 Audit Plan).</b></p>
PE	<p><b>Social Care Payments to Individuals and Providers</b></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>Challenge and support was provided to officers as the framework was being designed.</p> <p>The audit in the 2018/19 Audit Plan will assess the adequacy of design and effectiveness of operation.</p>
PE	<p><b>Special Education Needs</b></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	Deleted. The in year risk was mitigated due to officers' actions.
<b>Implementing Action Plans</b>			
PE	<ul style="list-style-type: none"> <li>• <b>Children's Services Safeguarding Performance Indicators</b></li> </ul> <p>To assess the progress made in improving the robustness of arrangements for producing performance data for nationally reported safeguarding indicators.</p>	No	Deleted. This risk will be reassessed when the Social Care IT Case Management system is operational.
PE	<ul style="list-style-type: none"> <li>• <b>Financial Monitoring of Direct Payments</b></li> </ul>	Yes	Report issued January 2018.

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PE	<ul style="list-style-type: none"> <li><b>Mental Health Direct Payments</b></li> </ul>	Yes	Report issued October 2017.
PL	<ul style="list-style-type: none"> <li><b>Licensing</b></li> </ul>	Yes	Report issued January 2018.
PE	<ul style="list-style-type: none"> <li><b>Social Care IT Case Management System Contract Procurement</b></li> </ul>	Yes	Report issued January 2018.
<b>Aim: Clean</b>			
PL	<p><b>Recycling, Waste and Street Cleansing Services Contract Management</b></p> <p>To assess whether the Recycling, Waste and Street Cleansing Services contract is being effectively managed.</p>	Yes	<p>Terms of reference agreed.</p> <p><b>Moved into the 2018/19 Audit Plan.</b></p> <p>This work will be completed between Oct to Dec 2018 to allow the agreed variation to the contract to be embedded into day to day operational practices.</p>
PL	<p><b>Southend Energy Partnership (Ovo)</b></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 February 2018.
<b>Aim: Healthy</b>			
PE	<p><b>Adult Care Transformation Project Risk Assessment</b></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 was used to inform the 2018/19 planning process.
PE	<p><b>Commissioning Partners' Governance Arrangements</b></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	Deleted until the initial risk assessment (see below) was completed and the risks more fully understood.

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PE	<p><b>Integrated Commissioning Risk Assessment</b></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	Initial risk assessment produced and was used to inform the 2018/19 planning process.
PE	<p><b>Local Authority Trading Company (LATC)</b></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	Deleted to reduce the size of the Audit Plan.  The risk was reassessed as part of the next planning round.
PE	<p><b>Section 75 Agreement with South Essex Partnership University NHS Foundation (SEPT) for Mental Health Services</b></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	Deleted to reduce the size of the Audit Plan.  The risk was reassessed as part of the next planning round.
<b>Implementing Action Plans</b>			
PE	<ul style="list-style-type: none"> <li>• <b>Family Mosaic Contract Management</b></li> </ul>	Yes	Deleted as this service area was restructured.
PL	<ul style="list-style-type: none"> <li>• <b>The Forum Governance Arrangements</b></li> </ul>	Yes	Deleted. The current status of the report has been discussed with the Deputy Chief Executive (Place).  No further audit action will be taken.
<b>Aim: Prosperous</b>			
PL	<p><b>Airport Business Park Benefits Management</b></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	<b>Draft report is with the Interim Head of Internal Audit for review.</b>
PE	<p><b>Better Queensway Project Assurance</b></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.

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PL	<p><b>Car Park Management Contract (Lot 1) Contract Management</b></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	<p><b>Draft report is with the Interim Head of Internal Audit for review.</b></p> <p><b>Moved into the 2018/19 Audit Plan.</b></p>
PL	<p><b>Car Park Management Contract (Lot 2) Contract Management</b></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	<p><b>Draft report is with the Interim Head of Internal Audit for review.</b></p> <p><b>Moved into the 2018/19 Audit Plan.</b></p>
PE	<p><b>Corporate Procurement Team, Procure to Pay (P2P)</b></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><b>Highways Contract Management</b></p> <p>To assess whether the highways block of contracts are being effectively managed.</p>	Yes	<p><b>Moved into the 2018/19 Audit Plan.</b></p> <p><b>Officers gathering documentation for the audit.</b></p>
PL	<p><b>Highways Contract Management: Use of the Insights System (Symology)</b></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	<p>Deleted to reduce the size of the Audit Plan.</p> <p>The risk was reassessed as part of the next planning round.</p>
CE	<p><b>Leases and Licences</b></p> <p>To assess whether the Council effectively manages its leases and licences as well as receiving all income due from them.</p>	Yes	Report issued April 2018.
<b>Implementing Action Plans</b>			
PL	<ul style="list-style-type: none"> <li>• <b>Airport Business Park Project Assurance</b></li> </ul>	Yes	Report issued January 2018.
PE	<ul style="list-style-type: none"> <li>• <b>Corporate Procurement Team, Procure to Pay (P2P)</b></li> </ul>	Yes	Report issued April 2018.
PE	<ul style="list-style-type: none"> <li>• <b>Housing Allocations</b></li> </ul>	Yes	Report issued January 2018.

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PE	<ul style="list-style-type: none"> <li>• <b>“P” Cards</b></li> </ul>	Yes	<p><b>Moved into the 2018/19 Audit Plan</b></p> <p><b>Draft report being produced.</b></p>
CE	<ul style="list-style-type: none"> <li>• <b>Right to Buy</b></li> </ul>	Yes	Report issued December 2017.
<b>Aim: Excellent</b>			
CE	<p><b>Debt Management</b></p> <p>To assess whether the new corporate Debt Management strategy is being properly and consistently applied.</p>	Yes	This work was postponed until the new Debt Management Strategy, presented to Cabinet in November 2017, is embedded.
CE	<p><b>Housing Benefit: Risk Assessment of New Claims</b></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	This is incorporated into housing benefits system work when reviewing the assessment process now Universal Credit applies to all new claims.
<b>Implementing Action Plans</b>			
PE	<ul style="list-style-type: none"> <li>• <b>Section 75 Partnership Agreement, Integrated Equipment Service</b></li> </ul>	Yes	Report Issued October 2017.
PL	<ul style="list-style-type: none"> <li>• <b>Works Contract Letting, St Helen’s Roman Catholic School</b></li> </ul>	Yes	Report issued January 2018.
<b>Aim: All</b>			
CE	<p><b>Apprenticeship Levy</b></p> <p>To assess the Council’s arrangements for using the levy to develop an effective apprenticeship scheme.</p>	Yes	Work postponed until the Council’s scheme is developed.
PL	<p><b>IT Enterprise Change Management</b></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	<b>Report issued May 2018.</b>

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PL	<p><b>Agresso System Access Controls</b></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	Report issued April 2018.
CE	<p><b>Payroll, Self-Serve Mode</b></p> <p>To assess whether the new arrangements for processing and approving expense, mileage and overtime allowance claims are working effectively.</p>	Yes	<p><b>Draft report is with the Interim Head of Internal Audit for review.</b></p> <p><b>Moved into the 2018/19 Audit Plan.</b></p>
PL	<p><b>Smart City Project</b></p> <p>To:</p> <ul style="list-style-type: none"> <li>• establish the remit and content of the SMART City Project</li> <li>• determine Internal Audit's approach to providing appropriate assurance over the lifecycle of the project.</li> </ul>	Yes	Initial risk assessment produced and was used to inform the 2018/19 planning process.
<i>Implementing Action Plans</i>			
PL	<ul style="list-style-type: none"> <li>• <b>IT Infrastructure and Asset Management</b></li> </ul>	No	<b>Report issued May 2018.</b>
CE	<ul style="list-style-type: none"> <li>• <b>Welfare Reform</b></li> </ul>	No	Report issued December 2017.
<b>Key Financial Systems</b>			
<b>Aim: All Aims</b>			
CE	<p><b>Financial systems work to support the production of the Council's Financial Statements</b></p> <p>To confirm that key controls in each of the key financial systems:</p> <ul style="list-style-type: none"> <li>• are designed to prevent or detect material financial errors, and</li> <li>• have been in place during 2017/18 and therefore, can be relied when producing the Council's Statement of Accounts.</li> </ul>	Yes	Report issued April 2018.



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CE	<p><b>Payroll Revisited</b></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><b>Other Key Financial Systems</b></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 were used to inform the 2018/19 planning process.
<b>Grant Claims</b>			
	To certify, in all significant respects, that the conditions attached to the grant have been complied with.		
PL	<ul style="list-style-type: none"> <li>• <b>BEST Growth Hub</b></li> </ul>	Yes	It was been agreed with Essex County Council that this work was no longer required.
PL	<ul style="list-style-type: none"> <li>• <b>Coastal Communities Fund</b></li> </ul>	Yes	Deleted as the Council did not receive any grant funds.
PE	<ul style="list-style-type: none"> <li>• <b>Disabled Facilities Capital Grant Determination</b></li> </ul>	Yes	Completed September 2017.
PL	<ul style="list-style-type: none"> <li>• <b>Highways Maintenance Challenge Fund</b></li> </ul>	Yes	
PL	<ul style="list-style-type: none"> <li>• <b>Local Transport Capital Block Funding</b></li> </ul>	Yes	Completed September 2017.
PL	<ul style="list-style-type: none"> <li>• <b>Local Growth Fund</b></li> </ul>	Yes	
PL	<ul style="list-style-type: none"> <li>• <b>Pothole Action Fund</b></li> </ul>	Yes	
CE	<ul style="list-style-type: none"> <li>• <b>Mentoring Fund</b></li> </ul>	No	Completed August 2017.
PE	<p><b>Troubled Families Programme, Payments by Results Scheme Grant</b></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>	Yes	Reported on May, July, September, October 2017 and March 2018 submissions.

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<b>Advice and Support</b>			
To provide independent review, support and challenge to assist with the delivery of the groups' objectives and work programme.			
	<p><b>Attendance at Groups</b></p> <p>To provide supportive, critical challenge as required</p> <ul style="list-style-type: none"> <li>• External Grant Funding Group</li> <li>• Good Governance Group</li> </ul>		<p>Attended as required.</p> <p>The Head of Internal Audit attended.</p>
PE	<p><b>Early Years Funding – Nursery Settings in Schools</b></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"> <li>• the accuracy of the funding being approved by the Group Manager, Early Years</li> <li>• providers are fulfilling their duties in line with the provider agreements.</li> </ul>	Yes	<p>Completed.</p> <p>Support and challenge provided whilst validation systems being considered.</p>
PL	<p><b>The Hive Business Incubation Centre</b></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	<p>Support and challenge provided.</p>
All	<p><b>Potential Corporate Project Governance Approach</b></p> <p>To assess whether the Property, Regeneration and Strategic Projects team capital projects, project management approach (the PR&amp;SPT's project management approach) could be effectively utilised as the corporate standard when managing a project.</p>	No	<p>Report issued February 2018.</p>
All	<p><b>Corporate Complaints Stage 1 and 2</b></p> <p>To assess whether Stage 1 and 2 complaints are effectively managed in line with a clear policy framework.</p>	No	<p>Feedback provided to officers.</p>

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PL	<p><b>Rechargeable Works</b></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 was reassessed due to delays in implementing a new system and a change in the risk profile.</p> <p>Ad hoc advice was provided on the new processes being developed.</p>
CE	<p><b>RIPA</b></p> <p>To work with the Counter Fraud &amp; Investigation Directorate to provide the Director of Legal &amp; 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>Work completed and feedback provided to officers for consideration.</p>
PL	<p><b>Safety of Gas Boilers in the Council Estate</b></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><b>Safety of Gas Boilers in the Council Estate Action Planning</b></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.</p> <p>Support and challenge provided whilst action plan was being developed.</p>
PE	<p><b>Pre-payment Cards: Letting of Contract</b></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"> <li>• in receipt of direct payments</li> <li>• where the Council acts as the official receiver for Court Protection purposes.</li> </ul>	Yes	<p>Work completed.</p> <p>Support and challenge provided whilst policy for using prepayment cards drawn up.</p>
PL	<p><b>Airport Business Park Procurement</b></p> <p>To provide on-going support and challenge to the project to ensure procurement activity is compliant with the Councils Contract Procedure Rules and Public Procurement Regulations.</p>	Yes	<p>Work completed and feedback provided.</p>

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<b>Schools Audit Programme</b>			
<b>Aim: Prosperous</b>			
PE	<b>Schools Audit Programme</b> 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"> <li>• Earls Hall Primary School</li> </ul>	Yes	Report issued November 2017.
	<ul style="list-style-type: none"> <li>• Leigh North Street Primary School</li> </ul>	Yes	Report issued December 2017.
<b>Other Clients</b>			
PE	<b>Adult Social Care Local Authority Trading Company</b> To develop an internal audit risk assessment, Charter, Strategy and Audit Plan for 2017/18.	Yes	Research completed. Approach to this was considered in the context of the 'Alternative Delivery Models' report to the November 2017 Cabinet.
<b>Managing Delivery of the Audit Plan</b>			
	Audit Planning, Resourcing		
	Managing Contractor Work		
	Reporting to Management Team and Audit Committee		
	Preparing for statutory, independent external assessment against UK Public Sector Internal Audit Standards		
	Implementing action plans <i>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.</i>		