

## Appendix 2a: Internal Audit Plan 2016/17

Dept	Service Activity	Est spend / income*	Fraud risk	Focus of the Audit
<b>Managing the Business</b>				
<b>All Aims</b>				
CS	Departmental Contract Management Arrangements	*		To assess whether the departmental contract monitoring arrangements ensure they are properly let and robustly managed.
PL	Departmental Contract Management Arrangements	*		
<b>Managing Service Delivery Risks</b>				
<b>Safe</b>				
PE	Adult and Children Services Replacement Case Management System			To assess whether the replacement IT system for CareFirst, the Children's and Adult Service case management system, is implemented, properly by the planned go live date.
PE	Direct Payments, Financial Monitoring	*	√	To assess whether there are robust financial monitoring arrangements in place to ensure payments made directly to clients (not via Vibrance the Council's contract provider) are used to meet the assessed eligible needs and outcomes identified in Care Support Plans.
PE	Adult Social Care Independent File Review			To assess whether there is robust management review of adult social care files to ensure they met all required statutory and good practice requirements.
PE	Safeguarding Child Sexual Exploitation Action Plan			To check that actions agreed have been effectively implemented and are now embedded into the day to day operation of the service.
PE	Safeguarding Peer Review Action Plan			To check that actions agreed have been effectively implemented and are now embedded into the day to day operation of the service.

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PE	Social Care Payments to Individuals and Providers	£9.7M	√	To assess the robustness of the arrangements to ensure accurate social care payments are made covering one or more of the following: <ul style="list-style-type: none"> <li>Residential care including Dynamic Purchasing system (Sprock)</li> <li>Direct payments</li> <li>Home care</li> <li>Children's care.</li> </ul>
<i>Implementing Action Plans</i>				
PE	Direct Payments, Mental Health	*		To check that actions agreed have been effectively implemented and are now embedded into the day to day operation of the service.
PL	Licensing	£474k (income)		
PE	Safeguarding: Serious Case Review Action Plan Implementation			
PL	Traffic Regulation Orders			
<b>Clean</b>				
PL	Essex Waste Partnership	*		To review the management of the Partnership Agreement with Essex County Council for the use of the Mechanical and Biological Treatment Plant (MBT).
PL	Recycling, Waste and Street Cleansing Services Contract Management	£7M	√	To assess whether the Recycling, Waste and Street Cleansing Services contract is being effectively managed.
<b>Healthy</b>				
PE	Drug and Alcohol Team	£2.8M		To evaluate the clarity and understanding of its objectives, role and reporting lines.
PL	Leisure Services (Fusion) Contract Management	£300k (Income)	√	To assess whether the Leisure contract is being effectively managed.

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PE	Pioneer Programme Board			To map how the Pioneer Programme Board operates, including: <ul style="list-style-type: none"> <li>its work streams and management of specific Council risks</li> <li>its governance structure and reporting</li> <li>the link with the Better Care Fund's Section 75 Agreement</li> <li>how the joint commissioning team fits in.</li> </ul>
			To be determined	To be determined once assurance mapping exercise is completed.
<i>Implementing Action Plans</i>				
PE	Family Mosaic Contract Management	£865K		To check that actions agreed have been effectively implemented and are now embedded into the day to day operation of the service.
PE	Ofsted Inspections of Children's Social Care Services and Schools			
PE	Reablement	*		
PL	The Forum Governance Arrangements	£4M (library spend)		
<b>Prosperous</b>				
CS	Airport Business Park	£10M (over 4 years)		To assess whether robust arrangements are in place to provide independent assurance regarding the future performance of the project.
PE	Better Start Early Years (Big Lottery Grant over 10 years)	£40M		To assess the adequacy of the governance arrangements, specifically relating to: <ul style="list-style-type: none"> <li>clarity of deliverables</li> <li>risks to the Council</li> <li>roles and responsibilities</li> <li>accountability for delivering grant terms and conditions.</li> </ul>
PE	Corporate Procurement Team,	*	√	To assess whether it operates in accordance with recognised professional standards and its own procedures by

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	Contract Letting			reviewing some contracts let by the team.
PE	Corporate Procurement Team, Procure to Pay (P2P)			To assess the effectiveness of the new arrangements introduced by the Corporate Procurement team to monitor compliance with P2P requirements.
PL	Highways Contract Management	£9.7M	√	To assess whether the highways block of contracts are being effectively managed.
PE	Housing Allocations		√	To assess whether the Allocations Policy reflects good practice and is properly and consistently applied.
CS PE	Better Queensway	£1.5M (2016/7 spend)		To assess whether robust arrangements are in place to provide independent assurance regarding the future performance of the project.
PE	"P" Cards	£2M	√	To assess the robustness of arrangements for: <ul style="list-style-type: none"> <li>• issuing cards</li> <li>• monitoring and post authorising the spend.</li> </ul>
CS	Right to Buy	£4M (sale values p.a.)	√	To assess whether the legal aspects of the transaction are processed properly and other Council services are notified of and amend their records accordingly.  (This links to a review of the front end of the process at South Essex Homes)
<i>Implementing Action Plans</i>				
PE	Southend Adult College			To check that actions agreed have been effectively implemented and are now embedded into the day to day operation of the service.
<b>Excellent</b>				
PL	Works Contracts (to be selected)	*	√	To assess whether contracts are let properly and or effectively managed.
<b>All Aims</b>				
CS	Recruitment Contract Management	£3.5M (annual spend)	√	To assess whether the Recruitment contract is being effectively managed for both permanent and temporary

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				recruitment.

CS	Cyber Security		√	To assess the effectiveness of arrangements in place to protect the Council from cyber attacks and other online vulnerabilities.
CS	Individual Electoral Registration		√	To confirm that appropriate verification procedures have been applied when implementing Individual Electoral Registration.
CS	Leases and Licences	*	√	To assess whether lease and license records are complete, reviewed in a timely manner and all income due is collected.
CS	IT Systems and Network Access Controls		√	To assess the effectiveness of controls in place to restrict access to important Council system and network functions.

### *Implementing Action Plans*

CS	Cleaning Services Contract Management	£384K		To check that actions agreed have been effectively implemented and are now embedded into the day to day operation of the service.
CS	Third Party Hosting			
CS	Welfare Reform			

### Key Financial Systems

#### All Aims

CS	Accounts Payable	£334M	√	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.  <i>Approach to this work is still to be confirmed.</i>  To use computer-assisted audit techniques (CAATs) to automate audit testing and allow for a deeper analysis of large data
	Accounts Receivable:			
CS	• General Debtors	£5.2M (o/s debt)		
PE	• Social Care Debtors	£5.1M (o/s debt)		
CS	Business Rates	£49M		

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CS	Council Tax	£83M		sets.
CS	General Ledger			
CS	Housing Benefit	£91M		
CS	Income Receipting and Banking			
CS	Payroll	£129M (annual turnover)		
CS	Treasury Management	£85M (investment funds)		
CS	Payroll Improvement Project	See above		To provide 'an independent challenge' as the controls within the new 'Milestone 4' Agresso module are being developed and implemented.
<b>Grant Claims</b>				
PL	Coastal Communities Fund	£67k		To certify, in all significant respects, that the conditions attached to the grant have been complied with.
PL	Kent Elms Grant	£3.8M		
PL	Local Transport Plan Grants	£2.6M		
PE	Transforming Care Housing Grant	£165k		
PE	Troubled Families Intervention	£648K		To challenge Troubled Families Grant returns in line with Department for Communities and Local Government requirements.
<b>Schools Audit Programme</b>				
<b>Prosperous</b>				
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

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				arrangements in place, OR,  To assess whether robust arrangements are in place to effectively manage the business of the school and specifically its finances, so that good quality education is provided to the community.
PE	Virtual School			The robustness of the processes in place which ensure Looked After Children achieve the outcomes in their Personal Education Plans.
PE	Revisiting previous audit reports			To check that actions agreed have been effectively implemented and are now embedded into the day to day operation of the school.
<b>Advice and Support</b>				
<b>All Aims</b>				
	Agresso Review Group			To provide independent review, support and challenge to assist with the delivery of the groups' objectives and work programme.
	External Grant Funding Group			
	Fuel Cards			
	Good Governance Group			
	Schools Support and Improvement Board			
	Contingency			To be allocated during the year
<b>Managing Delivery of the Audit Plan</b>				
This includes audit planning, resourcing, managing contractor work, reporting to Corporate Management Team and Audit Committee.				

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\* As the work is undertaken, the estimated spend or income processed by the systems / activities (if not listed here) will be noted in the plan / terms of reference and reports. This is to help management and the Audit Committee to evaluate the level of risk if poor performance is reported and assurance provided if a good audit opinion is given.



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Risk Watch List	
PL	Car Parking Contract: Income collection element
All	Civica: Use of the system
PL	Community Safety Partnership: Reporting of Domestic Homicide Reviews
All	Contract Letting and Management: Select another sample of contracts to review
CS	Debt Management: Follow up work from 2016/17 corporate project
PE	Drug and Alcohol Team: Contract letting and management
PE	Dynamic Purchasing System: New arrangements if current system is replaced
PE	Homelessness: Application of policy / strategy once refreshed and service restructured
CS	IT Data Centre (2017/18 Audit) : To evaluate whether the Council's newly developed IT Server Room complies with industry good practice (£1.4M)
CS	IT Disaster Recovery: Once new arrangements are in place
PE	Local Authority Trading Company for Strategic Housing and Day Care: Governance arrangements once established
PE	Children Services Multi Agency Risk Assessment Team: Is it fit for purpose and meet all statutory requirements
PE	Adult Mental Health Services: Risks attached to the results of the Pan-Essex review to scope a joint commissioning arrangement for mental health across Thurrock, Essex County Council and the Council
All	Project Assurance: Select other projects to review
All	Risk Management: Follow up work from 2016/17 review of service plan risk registers and risks in a sample of projects
CS	Smart City Project: Governance arrangements- £13M

These are other potential audits that may be considered for inclusion in the Audit Plan during the year should resources permit.

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<b>Resources Allocation</b>	
<b>Audit Activities</b>	<b>% of total resource available</b>
<b>Managing the Business*</b>	3%
<b>Managing Service Delivery Risks*</b>	60%
<b>Key Financial Systems*</b>	13%
<b>Grant Claims</b>	4%
<b>Advice and Support</b>	2%
<b>General Contingency</b>	12%
<b>Managing Delivery of the Audit Plan</b>	6%
<b>Total Council Audit Plan Days (estimate)</b>	1,000

\* Includes any work to revisit and retest action plans from previous reports

The schools work programme will be reported separately once it has been finalised.

<b>Analysis Over Departments</b>		
<b>CS</b>	Corporate Services	29%
<b>PE</b>	People	41%
<b>PL</b>	Place	21%
<b>PH</b>	Public Health	0%
<b>ALL</b>	Cross Cutting	9%