

## Appendix 1: Internal Audit Plan 2016/17

Dept	Council activity and focus of audit work	Est spend / income	Fraud risk	Status as at 6 January 2017
<b>Managing the Business</b>				
<b>Aim: Excellent</b>				
All	<b>Business Continuity</b> To assess whether the Council has effectively analysed the results of Operation Meltdown and introduced the required improvements.			Report being finalised with client.
All	<b>Complaints Handling</b> To assess whether stage one and two complaints have been handled in compliance with the policy.			Draft report to be produced.
All	<b>Corporate Procurement Strategy and Toolkit</b> To assess whether the Corporate Procurement Strategy and Toolkit are fit for purpose and consistent within the overall set of Contract Management Framework documents.		√	Report issued December 2016.
PL / PE	<b>Departmental Project Assurance Arrangements (New job)</b> To assess the design and effectiveness of the departments arrangements for monitoring the deliver of significant projects.			Terms of reference being produced. Start date to be confirmed.
All	<b>Risk Management, Corporate and Service Plan Risks</b> To assess whether risks, controls and assurances in risk registers are being properly identified and recorded in line with the requirements of the Risk Management Policy and Strategy.			Report issued December 2016.
All	<b>Risk Management, Project Risks</b> To assess whether project risks are properly understood and consistently defined in accordance with the Council's Risk Management Strategy and Toolkit.			Report issued December 2016.
All	<b>Risk Management</b> To provide practice feedback on addressing the issues arising from the original work			Terms of Reference agreed. Meetings currently being arranged.
<b>Managing Service Delivery Risks</b>				

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<b>Aim: Safe</b>				
PE	<b>Social Care IT Case Management System Contract, Procurement</b> To assess whether the replacement <b>IT system for CareFirst</b> , the Children's Services and Adult Service case management system, was appropriately specified and selected, so audit focus will be how the package was procured.		√	Report issued December 2016.
PE	<b>Social Care IT Case Management System, Project Implementation Health Check</b> 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.			Report issued November 2016.
PE	<b>Social Care IT Case Management System, Project Implementation, Children's Services</b> To assess whether the project plan is implemented properly by the planned go live date.			Terms of Reference agreed. Work in progress.
PE	<b>Adult Social Care Independent File Review</b> To assess whether there is robust management review of adult social care files to ensure they met all required statutory and good practice requirements.			Deleted, see comment in quarterly performance report.
PE	<b>Adult Social Care Services, Assessment of Personal Budgets</b> To assess whether personal budgets paid by direct payments are valid, accurate and complete as per the client's assessed needs.	*	√	Report issued December 2016.
PE / PL	<b>Domestic Homicide Reviews</b> To assess whether action plans produced following safeguarding reviews (children's and or adult Serious Case Reviews and or Domestic Homicide reviews) are being implemented, in a timely manner and actively monitored by senior management.			Draft report to be produced.
PE	<b>Financial Monitoring of Direct Payments</b> 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.	*	√	Draft report being produced.
PE	<b>Safeguarding Child Sexual Exploitation</b>			Feedback was provided to management on the action

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	<b>Action Plan</b> To work with management to ensure actions contained in the action plan are SMART.			plan before it was finalised in June 2016.
PE	<b>Social Care Payments to Individuals and Providers</b> 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>	£9.7M	√	<b>Terms of Reference agreed.</b> <b>Planned for March 2017.</b>
<i>Implementing Action Plans</i>				
PE	<ul style="list-style-type: none"> <li>Mental Health Direct Payments</li> </ul>	*		<b>Draft report being finalised with clients.</b>
PL	<ul style="list-style-type: none"> <li>Licensing</li> </ul>	£474k (income)		<b>Draft report being finalised with clients.</b>
PE	<ul style="list-style-type: none"> <li>Safeguarding: Serious Case Review Action Plan Implementation</li> </ul>			<b>Work in progress.</b>
PL	<ul style="list-style-type: none"> <li>Traffic Management Schemes implemented by Traffic Regulation Orders</li> </ul>			<b>Report issued January 2017.</b>
<b>Aim: Clean</b>				
	No work planned			
<b>Aim: Healthy</b>				
PE	<b>Commissioning Public Health Services for 0-5 Year Olds</b> To assess whether the 0 to five year old services to be transferred to the Council in October 2015 are effectively integrated into the Council and associated budgets are sufficiently understood to ensure the services can be affordable delivered future years.	*		<b>Report issued December 2016.</b>
PE	<b>Drug and Alcohol Commissioning Team Governance</b> To evaluate the clarity and understanding of its	£2.8M		<b>Terms of Reference agreed.</b>

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	objectives, role and reporting lines.			Work in progress.
PE	<b>Public Health, Health Protection</b> To assess whether there are robust policies, procedures and working arrangements in place with relevant parties to ensure public safety, prevent transmission of diseases and manage incidents which threaten the public's health.			Report issued July 2016.
PL	<b>Leisure Services (Fusion) Contract Management</b> To assess whether the Leisure contract is being effectively managed.	£300k (income)	√	Work in progress.
PE	<b>Pioneer Programme Board / Integrated Commissioning Team</b> 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>			Work to start in February 2017.
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.	*	√	As part of the 2017/18 audit planning work, the potential need for and scope of this will be considered.
<i>Implementing Action Plans</i>				
PE	<ul style="list-style-type: none"> <li>Family Mosaic Contract Management</li> </ul>	£865k	√	Draft report being produced.
PE	<ul style="list-style-type: none"> <li>Managing OFSTED Action Plans</li> </ul>			Report issued December 2016.
PE	<ul style="list-style-type: none"> <li>Reablement</li> </ul>	*		Work to start in March 2017.
PL	<ul style="list-style-type: none"> <li>The Forum Governance Arrangements</li> </ul>	£4M		Draft report produced.
<b>Aim: Prosperous</b>				
PL	<b>Airport Business Park</b> To assess whether robust arrangements are in place to provide independent assurance regarding the future performance of the project.	£10M (over four years)		Terms of Reference agreed.  Work to start week commencing 9th January 2017.

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PE	<b>Better Queensway</b> To assess whether robust arrangements are in place to provide independent assurance regarding the future performance of the project.	£1.5M		<b>Terms of Reference agreed.</b> <b>Work to start week commencing 18th January 2017.</b>
PE	<b>Better Start Early Years (Big Lottery Grant over 10 years)</b> 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>	£40M		Deleted, see comment in quarterly performance report.

PE	<b>Corporate Procurement Team, Contract Letting</b> To assess whether it operates in accordance with recognised professional standards and its own procedures by reviewing some contracts let by the team.	*	√	Work to start mid January 2017.
PE	<b>Corporate Procurement Team, Procure to Pay (P2P)</b> To assess the effectiveness of the new arrangements introduced by the Corporate Procurement team to monitor compliance with P2P requirements.			Draft report with Head of Internal Audit to review.
PE	<b>Housing Allocations</b> To assess whether the Allocations Policy reflects good practice and is properly and consistently applied.		√	Report issued December 2016.
CE	<b>Leases and Licences</b> To assess whether lease and license records are complete, reviewed in a timely manner and all income due is collected.	*	√	<b>Terms of Reference agreed.</b> <b>Work to start in January 2017.</b>
PE	<b>Purchasing Cards (P Cards)</b> 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>	£2M	√	Report issued October 2016.

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CE	<b>Right to Buy</b> 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)	£4M	√	Draft report being finalised with client.
<i>Implementing Action Plans</i>				
PE	<ul style="list-style-type: none"> <li>Southend Adult College</li> </ul>			Draft report with Head of Internal Audit to review.

<b>Aim: Excellent</b>				
PL	<b>Highways Contract, Processing Payments</b> To assess whether the payments made for works under the Malborough Surfacing contract (Lot 1) are accurate and properly authorised in line with Contract Procedure Rules / Financial Regulations.	£9.7M	√	Interim feedback briefing memo provided to management.
PE / PL	<b>Works Contract Letting, St Helen's Roman Catholic School</b> To assess whether the works contract was let properly, met the clients' expectations and delivered in budget.	*	√	Report issued January 2017.
PE	<b>Section 75 Partnership Agreement, Integrated Equipment Service</b> To assess whether Section 75 agreements clearly set out the service requirements and how the service will be managed on an on-going basis.	*	√	Report issued December 2016.
PL	<b>Management of Works Contracts</b> To assess whether works contracts are effectively managed.	*	√	Terms of Reference to be produced. Work to start mid January 2017.
<b>Aim: All</b>				

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PL	<b>Cyber Security Governance</b> To assess the effectiveness of arrangements in place to protect the Council from cyber attacks and other online vulnerabilities.		√	<b>Terms of Reference agreed.</b>  <b>Work to start week commencing 16th January 2017.</b>
PL	<b>IT Data Security Policy Application</b> To assess whether the relevant standards are met to ensure the Council's data is secure.			<b>Draft report with client.</b>

PL	<b>IT Infrastructure and Asset Management</b> To assess whether the on-going management of IT fixed assets ensures the IT infrastructure meets the Council's service needs.			<b>Report issued November 2016.</b>
PL	<b>IT Systems and Network Access Controls</b> To assess the effectiveness of controls in place to restrict access to important Council system and network functions.		√	<b>Terms of Reference produced.</b>  <b>This work will be postponed until 2017/18, see comment in quarterly performance report.</b>
PL	<b>IT Change Management</b> To assess whether there is an effective, corporate process for managing changes made to IT systems used by services.			<b>Terms of Reference produced.</b>  <b>Work to start week commencing 12th January 2017.</b>

### Implementing Action Plans

PL	<ul style="list-style-type: none"> <li>Cleaning Services Contract Management</li> </ul>	£348K	√	<b>Work in progress.</b>
PL	<ul style="list-style-type: none"> <li>Third Party Hosting</li> </ul>			<b>Terms of Reference agreed.</b> <b>Work in progress.</b>
CE	<ul style="list-style-type: none"> <li>Welfare Reform</li> </ul>			<b>Report issued September 2016.</b>

## Key Financial Systems

**Aim: All Aims**

To assess whether the key controls in each of the key financial systems effectively prevent or detect material

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errors on a timely basis so that this information can be relied upon when producing the Council's statement of accounts.				
	<b>Financial Systems 2015/16</b>			
CE	• Accounts Receivable: General Debtors	£5.2M	√	Report issued September 2016.
CE	• Accounts Payable	£334M	√	Report issued September 2016.
CE	• Council Tax	£83M	√	Report issued September 2016.
CE	• General Ledger			Report issued September 2016.
CE	• Housing Benefits	£91M	√	Report issued September 2016.
CE	• Income, Receipting and Banking		√	Report issued September 2016.
CE	• Treasury Management	£85M	√	Report issued September 2016.
	<b>Financial Systems 2016/17</b>			
CE	• Systems work required to support the audit of the financial statements			<b>Work to start in January 2017.</b>
CE	• Accounts Payable	£334M	√	<b>Work to start in February 2017.</b>
CE	• Payroll	£129M	√	<b>Postponed until April 2017, see comments in quarterly performance report.</b>
CE	• Accounts Receivable: Social Care Debtors	*	√	<b>Work to start in March 2017.</b>
<b>Grant Claims</b>				
	To certify, in all significant respects, that the conditions attached to the grant have been complied with.			
PL	• Coastal Communities Fund	£67K		<b>Work substantially done.</b>
PE	• Troubled Families Programme, Payments by Results Scheme Grant	£648K		<b>Report issued September 2016.</b>



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				Next audit to start in March 2017.
PL	<ul style="list-style-type: none"> <li>South East Essex Local Growth Fund</li> </ul>	£330K		Unqualified opinion given July 2016.
PL	<ul style="list-style-type: none"> <li>Highways Maintenance Challenge Fund</li> </ul>	£1.4M		Unqualified opinion given September 2016.
PL	<ul style="list-style-type: none"> <li>Local Transport Capital Block Funding</li> </ul>	£2.6M		Unqualified opinion given September 2016.
PE	<ul style="list-style-type: none"> <li>Disabled Facilities Grant</li> </ul>	£694K		Unqualified opinion given September 2016.
PL	<ul style="list-style-type: none"> <li>A127 Corridor Growth Scheme</li> </ul>	£4.1M		Unqualified opinion given September 2016.

### Advice and Support

To provide critical support and challenge to management whilst they are reviewing or development services, systems or process, so appropriate controls can be built into them as the work is completed.

### Aim: Safe

PE	<b>Children's Services' Safeguarding Performance Indicators</b> To assess whether the correct core data is used as required by the definitions and method of calculations, to produce the Children's Services' Safeguarding Performance Indicators (PI).			Interim report produced for management December 2016.
PE	<b>OFSTED Report Action Planning</b> To support the service in producing a SMART action plan from the OFSTED inspection report.			Work completed. Feedback taken into account in preparing final report for submission to OFSTED.

### Aim: Prosperous

PE	<b>Education Board</b> To provide supportive, critical challenge as the new regime develops and is implemented.			Draft report with Head of Internal Audit to review.
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### All Aims

PL	<b>Fuel Cards</b> To provide independent review, support and challenge to assist with the delivery of the groups' objectives and work programme.			Complete.
CE	<b>Payroll</b> To provide advice and support as the actions from the most recent Payroll audit are implemented.			Complete.
PE	<b>Action Planning</b> A workshop was delivered to a group of staff from the Department of People on how to produce effective action plans.			<b>Delivered November 2016.</b>

To provide independent review, support and challenge to assist with the delivery of the groups' objectives and work programme.

	<b>Attendance at Groups</b> To provide supportive, critical challenge as required			
	<ul style="list-style-type: none"> <li>Agresso Review Group</li> </ul>			Attend as required.
	<ul style="list-style-type: none"> <li>External Grant Funding Group</li> </ul>			Attend as required.
	<ul style="list-style-type: none"> <li>Good Governance Group</li> </ul>			The Head of Internal Audit attends.
	<ul style="list-style-type: none"> <li>Schools Support and Improvement Board</li> </ul>			The Head of Internal Audit attended until the Board disbanded in July 2016.

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<b>Managing Delivery of the Audit Plan</b>				
	Audit Planning, Resourcing			
	Managing Contractor Work			
	Reporting to Management Team and Audit Committee			
	Contingency			

### *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.

\* Values of the activity to be audited will be added into the Audit Plan where relevant when the work is undertaken.

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<b>Schools Audit Programme</b>			
<b>Aim: Prosperous</b>			
PE	<b>Virtual School</b> The robustness of the processes in place which ensure Looked After Children achieve the outcomes in their Personal Education Plans.	√	<b>Terms of Reference agreed.</b> <b>Work to commence on 6 March 2017.</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>	√	<b>Work to commence on 21 February 2017.</b>
	<ul style="list-style-type: none"> <li>Leigh North Street Primary School</li> </ul>	√	<b>Work to commence on 28 February 2017.</b>
PE	<b>Revisiting audit reports</b> To check that recommendations made have been implemented, properly, in a timely manner.		
	<ul style="list-style-type: none"> <li>Blenheim Primary School</li> </ul>	√	Report issued June 2016.
	<ul style="list-style-type: none"> <li>Chalkwell Hall Junior School</li> </ul>	√	<b>Report in the process of being finalised.</b>
	<ul style="list-style-type: none"> <li>Friars Primary School (Academy from 1/9/16)</li> </ul>	√	<b>Report issued December 2016.</b>
	<ul style="list-style-type: none"> <li>Hamstel Infant School (Academy from 1/9/16)</li> </ul>	√	<b>Report issued December 2016.</b>
	<ul style="list-style-type: none"> <li>Heycroft Primary School</li> </ul>	√	<b>Report issued December 2016.</b>
	<ul style="list-style-type: none"> <li>Hinguar Community Primary School (Academy from 1/9/16)</li> </ul>	√	<b>Report issued December 2016.</b>
	<ul style="list-style-type: none"> <li>Kingsdown Primary School</li> </ul>	√	<b>Report issued December 2016.</b>

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	<ul style="list-style-type: none"> <li>Milton Hall Primary School</li> </ul>	√	<b>Report issued December 2016.</b>
	<ul style="list-style-type: none"> <li>Our Lady of Lourdes Catholic Primary School</li> </ul>	√	<b>Work to commence on 29th March 2017.</b>
	<ul style="list-style-type: none"> <li>Seabrook College</li> </ul>	√	<b>Report issued December 2016.</b>
	<ul style="list-style-type: none"> <li>Sacred Heart Catholic Primary School</li> </ul>	√	<b>Report issued September 2016.</b>
	<ul style="list-style-type: none"> <li>St George's Catholic Primary School</li> </ul>	√	<b>Report in the process of being finalised.</b>
	<ul style="list-style-type: none"> <li>St Helen's Catholic Primary School</li> </ul>	√	<b>Report in the process of being finalised.</b>
	<ul style="list-style-type: none"> <li>St Nicholas School</li> </ul>	√	<b>Report in the process of being finalised.</b>
	<ul style="list-style-type: none"> <li>The Federation of Greenways Schools (Academy from 1/10/16)</li> </ul>	√	<b>Report issued December 2016.</b>

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<b>Resource Allocation</b>		
<b>Audit Activities</b>	<b>% of total resources available</b>	
	<b>Original</b>	<b>Revised</b>
Managing the Business*	3%	8%
Managing Service Delivery Risks*	60%	71%
Key Financial Systems*	13%	3%
Grant Claims	4%	6%
Advice and Support	2%	6%
General Contingency	12%	0%
Managing Delivery of the Audit Plan	6%	6%
<b>Total Council Audit Plan Days</b>	<b>1,000</b>	<b>730</b>

\*Include any work to revisit and retest action plans from previous reports.  
This excludes the schools work programme which is funded separately.

<b>Analysis Over Departments</b>			
		<b>Original</b>	<b>Revised</b>
<b>CE</b>	Chief Executives	0%	8%
<b>CS</b>	Corporate Services	29%	0%
<b>PE</b>	People	41%	55%
<b>PL</b>	Place	21%	27%
<b>PH</b>	Public Health	0%	0%
<b>All</b>	Cross cutting	9%	10%