Epping Forest District Council Internal Audit Plan summary Appendix A

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2017/18	Year End position	Status/assurance
Corporate Framework				
Governance and Probity	The Council's governance framework underpins everything it does; therefore, robust arrangements are key in managing this risk. Strategic sites features on the corporate risk register. .	Transformation – during 17/18 continue to provide advice and guidance as Transformation projects are delivered, ensuring internal controls, governance and risk management processes remain robust during the change programme In 17/18 examine the robustness of the decision making process for the St Johns Road development. Member of the Corporate Governance Group.	Transformation - Internal Audit continued to meet regularly with the Head of Transformation and sat on a number of project groups to provide advice and share good practice seen elsewhere Governance: St Johns Road – audit deferred due to limited activity in this area during 2017/18 Member of the Corporate Governance Group. Review of the Council's Code of Corporate Governance.	Completed for 2017/18

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Fraud, including proactive fraud work Any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery	Financial resilience and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan	Co-ordinating data matching (National Fraud Initiative), training and awareness, interaction with corporate fraud initiatives and the corporate fraud team. Potential for fraud considered in all audits.	Internal Audit (IA) continued in year work regarding the National Fraud Initiative (NFI). IA and the Corporate Fraud Team continue to work collaboratively on internal investigations and promoting anti-fraud awareness	Completed for 2017/18

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Assurance Framework including Risk Management and support to Audit Committee	Risk in achieving corporate priorities as these are underpinned by sound leadership, management of resources, and governance.	Coordination of year end assurance reporting and Audit Committee support and attendance. Ex Officio member of Corporate Governance Group and Risk Management Group. Assistance to Director of Resources in developing and embedding risk management	IA drove the annual Service Assurance Statement review each service undertakes regarding its own effectiveness of its governance, risk management and internal control arrangements. Findings and key themes/common issues were fed into the Annual Governance Statement As a member of the Risk Management Group IA has been trialling a new risk register format within the directorates, which was being well received The Council's whistleblowing policy has been refreshed and communicated to staff. IA facilitated a skills and knowledge analysis of the Audit and Governance Committee, from which a training programme was devised and delivered. Topics have included the effective audit committee and treasury management as well as identifying training opportunities in neighbouring councils.	Completed for 2017/18

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Information Management and Governance Data protection and security. Data sets, owners and protocols. Governance and data sharing. Training and awareness	Data/information features on the strategic risk register Breach of data protection and other legislation related risks which could lead to significant fines and reputational damage.	IA will continue its work from 16/17 in helping the Council prepare for the new EU General Data Protection Regulation (GDPR) which comes in effect May 2018. This includes construction and population of a corporate Information Asset Register and review of data related policy and procedures.	IA created a template to capture where all data was held across the Council (both electronic and paper). IA collated the responses and the results shared with the Council's Data Protection Officer. In addition, IA involvement included review of relevant policy and procedures and advising on process and training requirements, as well as supporting the GDPR Working Group.	Completed for 2017/18
Performance Management Data integrity and quality (collection, collation, analysis and validation). Use of performance targets.	Risk of non-achievement of corporate priorities	Performance Indicators (PIs) considered within operational audits. In 17/18 Internal Audit will provide advice and guidance as the Council revamps its performance indicators (PIs) and Corporate Plan.	Audits have found no concerns regarding the management of performance and robustness of performance indicators used where audited. This includes absence management, leisure management contract and debtors IA has met regularly with the Head of Transformation and his team and provided advice and guidance both for the current corporate PIs and those being designed to support the new corporate plan.	Completed for 2017/18

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Value for Money Guiding principle of the Council.	Financial resilience and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan	Agency staff VfM considered within operational audits (in terms of the 3es – economy, efficiency and effectiveness)	Agency staff – at an operational level the use of agency workers is being well managed, however, there is a lack of corporate approach to monitor use of these and to ensure value for money is being achieved. Areas for improvement in terms of the 3Es identified in a number of audits including lone working, income (Fleet operations) and cyber security	Agency staff – Moderate Assurance
Income Streams To ensure financial resilience the Council needs to protects and maximise its income streams	Finance – income features on the strategic risk register	Each year a portion of IA work will focus on ensuring key income streams for the Council are maintained and adequately controlled. The card payment audit will ensure there are robust controls in place where card payments are taken regardless of location. The 17/18 community halls review will also consider whether the Council is making best use of these facilities.	Card Payments - robust controls surrounding the processing and security arrangements of debit and credit card payment income. The community halls audit was replaced with an audit of income for Fleet operations based at Oakwood Hill following a request from management.to review the adequacy of controls in place. The audit identified there are robust cash handling controls in place and to reduce the inherent risks associated with cash customers are offered other methods of payment including credit/debit card payment.	Card income payments – Substantial assurance Fleet operations (income) – Substantial assurance

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Joint Working, Shared Services, Outsourcing and Partnerships Opportunities for cost savings and improved value for money through joint working is a feature of the Corporate Plan.	Partnerships feature on the corporate risk register	Ensuring arrangements are working in the best interest for the Council with appropriate governance and monitoring arrangements in place. For 17/18 this will include Community Safety, looking at the key partnerships in place and, linking with the safeguarding audit.	Community Safety – proper governance and monitoring arrangements exist at both Member and officer level. Data sharing agreements exist to ensure data is held and shared securely between organisations in the Community Safety Partnership.	Community Safety (Joint Working) - Substantial assurance)

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Projects Business case, project methodology, governance arrangements, contract management and viability	Poor project management increases risk of projects not being delivered on time, to budget or does not meet the needs of the Council Strategic sites features on the corporate risk register	Internal Audit in 17/18 will ensure satisfactory progress is being made with the Council's house building programme and in the new way customer services is being delivered. In 17/18 will also assess the bid process for capital projects, use of equality impact assessments and how progress in terms of budget, timescales and quality are assessed.	Council house building programme - overall, the council house building programme is well managed with adequate officer and Member monitoring and oversight processes in place. Customer Services – oversight through reports to the Transformation and Members, as well as discussions with key officers. Capital projects (non-housing) programme - overall, the Council manages capital projects well and has a robust approval process. New corporate project management processes, established in 2016, along with the implementation in June 2017 of the performance and project IT system, Pentana, has significantly improved project management practices across the Council. In addition IA was an active member of several project groups including Project and Programme, personal data (HR/payroll), e-invoicing, GDPR and corporate debt working party.	Council house building programme – Substantial assurance Capital projects (non-housing) – Substantial assurance

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Contingency	Annual provision for responsive work, special investigations or key/emerging risk areas.	Will also take into account themes/issues coming out of the Annual Governance Statement	Majority of contingency used for IA participation in GDPR, as this resource requirement was greater than anticipated at the beginning of the Audit Plan. In addition, the following investigation was completed: • Internal Audit investigated an anonymous whistleblowing allegation in relation to a pay award. This was not fully substantiated but controls have been strengthen in this area to reduce the risk of future allegations	.Completed for 2017/18
Themed/cross cutting audits				
Procurement Themed audits - compliance, vfm, fraud, goods and services. End to end processes (need, selection, appointment, contract management and exit strategies)	Risks include noncompliance with legislation, fraud and not achieving value for money.	The focus of IA work this year will look at the framework to identify, prepare for and tender contracts before they expire.	In ensuring the Council was ready for the 25 May 2018 General Data Protection Regulations deadline IA has ensured there was a co-ordinated approach to identify those contracts processing personal and sensitive data so that contract clauses can be amended in line with GDPR requirements. This commenced with a review of contracts listed in the Council's contract register.	Completed for 2017/18

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Health & Safety (H&S)	Risk of compromising the health and safety of individuals and noncompliance with H&S legislation leading to fines or imprisonment.	Staff H&S in 17/18 will focus on front line staff working alone including Housing and Community Safety Officers	Staff H&S: lone working - health and safety of lone workers is well managed with adequate policies, procedures and monitoring arrangements in place to ensure risks are identified and effective measures put in place to mitigate these risks.	Staff H&S: lone working – Substantial assurance
Business Continuity Planning (BCP)	Business continuity features on the strategic risk register	During 16/17 Internal Audit maintained oversight of BCP. 17/18 is a full assurance audit.	Business Continuity Planning – assurances provided by BCP being a standing agenda item on the Risk Management Group, of which Internal Audit is a member, and IA using EFDCBCPp processes and templates as examples of good practice for other councils	Completed for 2017/18

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Key Financial Controls (KFC)	Finance – income features on the strategic risk register	Housing Benefits Main accounting system/general ledger Payroll Debtors	Housing Benefit – due to robust control and processes in place no recommendations were raised. General Ledger – good controls over the general ledger (GL) processes. A number of systems feed data into GL and reconciled by Accountancy prior to uploading to the GL. At the time of the audit the monthly income control and bank account reconciliations were not up to date but these have subsequently been carried out and remain up to date. Payroll – the Council implemented a new payroll/HR IT system, iTrent, in December 2016 which has automated a number of processes. Robust payroll processes in place to ensure the completeness and accuracy of the payroll data including a range of monthly checks	Housing Benefit – Substantial assurance General Ledger – Moderate assurance Payroll – Substantial assurance Debtors – fieldwork in progress. To be reported as part of 2018/19 Plan
IT Audits: IT Governance, IT Regulation, Security/Privacy, Business Systems, DRP/BCP, Network, Emerging Technologies e.g. mobile devices, IT Applications and Projects	Risks around data and asset security and loss of service. Opportunity for IT to be an enabler for delivering the Council's priorities.	A specialist IT Auditor will be brought in as required for more technical audits. Cyber security is a non-technical audit to assess the adequacy of the Council's framework in preventing cyber-crime. The outcomes of which may help shape future IT related audits.	Cyber security – there is a robust framework in place to protect the Council's IT systems. This includes both technological measures such as firewalls and monitoring as well as people related controls such as user access, policy and procedures, training and awareness.	Cyber security – Substantial assurance

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Operational/service audits				
Communities Housing Property Housing Operations Public Sector Housing and Communities Support	Housing capital, welfare reform and safeguarding feature on the strategic risk register	H&S- statutory testing and compliance will focus fire risk assessments in 17/18 as not previously audited. Planned maintenance and major works will ensure this high value investment for the Council maintains our housing stock at an acceptable standard 17/18 safeguarding audit - focus not just within Communities but to ensure there is a joined up Council approach to protecting vulnerable children and adults. Anti-Social Behaviour (ASB) in 17/18 will to ensure there is a joined up approach to ASB across the Council (not just for our housing tenants).	H&S: Fire Risk Assessments (FRA) – FRAs are in place for Council owned residential blocks of flats and communal areas. Improvements needed to be made in the way fire safety recommendations raised in the FRAs are recorded and monitored. Planned Maintenance and Major works – rolling programme of five year stock condition surveys in place. Robust contract management processes ensure that planned maintenance works are delivered to budget, time and specification. Safeguarding – deferred until later in 2018/19 to allow the recent service restructure to fully embed. Anti-Social Behaviour – not undertaken as this audit was to ensure there is a joined up approach to ASB across the Council. Internal Audit's knowledge of the Council and discussions with senior management confirmed this is the case rather than any internal control concerns.	Fire Risk Assessments – Moderate assurance Planned maintenance and major works – Substantial assurance

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Neighbourhoods Neighbourhood Services Technical Services Forward Planning & Economic Development	Local Plan and Economic Development features on the strategic risk register.	Progress against the Asset Management Strategy will be assessed in 17/18. Examine the tender process for the new leisure contract and ensure robust contract monitoring arrangements in place to deliver the expected benefits. Commercial properties will build on the 15/16 commercial rents audit focusing this time on service charges and lease agreements Local Plan audit in 17/18 will assess the adequately of staffing resources (internal and external) to deliver this following recent staff movements North Weald Airfield (NWA) is an 'establishment' audit to ensure key Council policy, processes and processes are being followed being remote from the Civic Offices	Asset Management Strategy – the Council has in place detailed departmental strategies which are reported to relevant cabinet committees. There are links to the Corporate Plan and corporate priorities; however, there is no overarching strategy which takes a holistic view. There is a risk that individual asset management strategies may conflict with each other. Leisure Management contract - the contract is operating well. There are good contract monitoring and oversight processes in place, however these need formalised as well as strengthening risk management processes. Commercial Properties: Service charges – service charges are being charged as per lease but weaknesses identified around invoicing, reconciliations and management fees Local Plan: Staffing resources – staff resource required for the preparation of the Local Plan, the Council's top priority, is being well managed, being closely monitored and reported to both senior management and Members. North Weald Airfield (establishment audit) – deferred to 2018/19	Asset Management Strategy – Moderate assurance Leisure Management contract management – Moderate assurance Commercial Properties: Service charges – Moderate assurance Local Plan: Staffing resources – Substantial assurance

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Governance Governance & Performance Management (see earlier for Performance Management) Legal Services Development Management	Risk of corporate priorities not being met should these service areas fail to deliver.	Examination of planning application processes on the back of last year's planning fees audit. IA will examine the framework in place ensure the Council is compliant with equality and diversity legislation, and in particular the robustness of Equality Impact Assessments. Complaints will examine the new process introduced during 2016/17.	Planning Application Processes – processes are operating satisfactorily and planning applications are determined in accordance with the procedures in the Council's Constitution and Scheme of Delegation. Equality Impact Assessments – deferred to 2018/19 to allow time for recent changes to be fully implemented. Complaints – At the request of management this audit has been deferred as the process for managing complaints is being reviewed during 2018/19 and there are likely to be significant changes to the system	Planning application process – Substantial assurance
Resources Human Resources (HR) Benefits and Revenues (both covered under KFC audits) Accountancy ICT & Facilities Management (IT audits covered elsewhere)	Finance – income features on the strategic risk register. Risk of corporate priorities not being met should these service areas fail to deliver.	The payroll/HR system audit links with the key financial control payroll audit but will examine the HR side in more detail. Absence management will ensure there are adequate policy, procedures and tools available to managers in order for them to manage staff absences effectively.	New payroll/HR system: Covered in the payroll audit detailed above under Key Financial Control HR: Absence Management – HR helps to proactively manage sickness absence across the Council through the issue of timely management information and provision of support to managers during absence-related follow up meetings. -	Absence Management – Substantial assurance

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Follow Up Audits Review of progress against recommendations on the tracker.	Tracker process ensures risks identified in audits have been managed to an acceptable level.	Includes specific follow up audits especially where Limited assurance previously given. Includes maintenance of the recommendation tracker.	Implementation of all recommendations continues to be scrutinised as part of the tracker process Recommendations made in previous reports are routinely followed up when the audit is next undertaken, for example payroll, debtors and general ledger Townmead depot Health and Safety follow up – good progress had been made to address the risks identified in the previous Limited assurance audit. There was, however, a need to implement recommendations from the Fire Risk Assessment undertaken after the original audit.	Completed for 2017/18