

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2019/20	Year End position	Status / Assurance
Corporate Framework				
<p>Governance and Probity</p>	<p>The Council's governance framework underpins everything it does; therefore, robust arrangements are key in managing this risk.</p> <p>Local Plan features on the corporate risk register.</p>	<p>Transformation: During 2019/20 provide advice and guidance, and ensure no erosion of controls, as the Council continues its Transformation programme. This includes having an input to organisational process maps as they are produced.</p> <p>Governance – Harlow and Gilston Garden Town: Examine the governance arrangements to support the collaboration between Epping Forest, Harlow and East Herts to deliver the government's Garden Town initiative.</p>	<p>Transformation: Not an audit; instead Internal Audit throughout the year has been working with Business Services as part of a Council-wide review of delegations to align responsibilities with the DMA (Decision Making Accountability) model adopted by the Council as part of the People Strategy and ensure these are reflected in the Council's policies and procedures.</p> <p>Harlow and Gilston Garden Town: Fieldwork almost completed</p> <p>Corporate Governance Group: Active member of the Corporate Governance Group, which during the year has overseen progress against the Annual Governance Statement action plan, updated the Council's anti-fraud and corruption strategy and reviewed the Local Code of Corporate Governance.</p>	<p>Harlow Gilston Garden Town Governance - to be reported as part of the 2020/21 plan</p>

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<p>Fraud, including proactive fraud work</p> <p>Any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery</p>	<p>Financial resilience and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan</p>	<p>Co-ordinating data matching (National Fraud Initiative), training and awareness, interaction with corporate fraud initiatives, oversight of the delivery of the Council's anti-fraud and corruption strategy and the corporate fraud team. Potential for fraud considered in all audits.</p>	<p>Internal Audit (IA) continued in year work regarding the National Fraud Initiative (NFI).</p> <p>IA undertook one investigation in tandem with the Corporate Fraud Team regarding a potential Officer conflict of interest; the allegation was unfounded.</p>	<p>Completed for 2019/20</p>
<p>Assurance Framework including Risk Management and support to Audit Committee</p>	<p>Risk in achieving corporate priorities as these are underpinned by sound leadership, management of resources, and governance.</p>	<p>Co-ordination of year-end assurance reporting, including the Annual Governance Statement. Member of the Corporate Governance Group. Assistance to the Risk Management Group developing and embedding the Council's risk management framework. Support and training to the Audit Committee.</p>	<p>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 or common issues were fed into the Annual Governance Statement.</p> <p>Internal Audit continued as an active member of the Officer Risk Management Group and in its regular review of the corporate risk register.</p> <p>Internal Audit provided risk management training to all councillors in January 2020.</p>	<p>Completed for 2019/20</p>

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<p>Information Management and Governance</p> <p>Data protection and security. Data sets, owners and protocols. Governance and data sharing. Training and awareness</p>	<p>Data/information features on the corporate risk register</p> <p>Breach of data protection and other legislation related risks which could lead to significant fines and reputational damage.</p>	<p>Data retention and disposals: A cross cutting review to ensure the Council's data retention and disposal policy is fit for purpose and being complied with.</p> <p>GDPR (General Data Protection Regulation) checklist: Internal Audit will continue to complete a GDPR checklist for each audit, feeding the results back to the DPO.</p>	<p>Data retention and disposals: There is good awareness of data retention and disposal principles within services; however, there is a lack corporate guidance to provide clarity and consistency in its application. This is being addressed through the Information Governance Group.</p> <p>For a sample of audits, Internal Audit completed a GDPR checklist and found overall these areas were generally GDPR compliant. Any control weaknesses or areas for improvement would be shared with the Corporate Governance Group, which the Data Protection Officer sits on.</p>	<p>Data Retention and Disposals – limited assurance</p>

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<p>Performance Management</p> <p>Data integrity and quality (collection, collation, analysis and validation). Use of performance targets.</p>	<p>Risk of non-achievement of corporate priorities</p>	<p>Performance Indicators (PIs) considered within operational audits plus specific review each year on an aspect of Corporate PIs.</p> <p>In 2019/20 the focus will be in the new way customer services is being delivered.</p>	<p>No concerns regarding performance indicators have come out of audits undertaken including recycling, housing rents and HMOs.</p> <p>Customer Services: fieldwork in progress</p>	<p>Customer Services – to be reported as part of the 2020/21 plan</p>
<p>Value for Money (VfM)</p> <p>Guiding principle of the Council.</p>	<p>Financial resilience and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan</p>	<p>Data analytics, including invoice authorisation and scheme of delegation</p>	<p>Invoice Payments and Schedule of Delegation: Good use of purchase orders in line with delegated authorities, with good segregation of duties between order and invoice approval. Value for money for purchases is demonstrated through quotes or tenders obtained in accordance with the Council's Procurement Rules.</p>	<p>Invoice Payments and Schedule of Delegation – substantial assurance</p>

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Joint Working, Shared Services, Outsourcing and Partnerships	Reducing duplication of services across partners and seeking out value for money for service delivery is a feature of the Corporate Plan	Ensure joint arrangements are working in the best interests for the Council with appropriate governance/ monitoring arrangements in place. In 2019/20 this will be covered in the governance review of the Garden Town arrangements (see start of Plan).	Covered in the governance review of the Garden Town arrangements (see start of Plan).	Completed for 2019/20

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<p>Projects</p> <p>Business case, project methodology, governance arrangements, contract management and viability</p>	<p>Poor project management increases risk of projects not being delivered on time, to budget or not meeting the needs of the Council</p> <p>Strategic sites features on the corporate risk register</p>	<p>Time is set aside each year for Internal Audit to attend appropriate project meetings, as well as providing ad hoc advice and support. This will include St Johns Road for 2019/20. Also, in 19/20 IA will be facilitating an overhaul of both the Council's risk management framework and business continuity arrangements.</p>	<p>St John's Road: Internal Audit has kept a watching brief as the direction and delivery has significantly changed during the year.</p> <p>Risk management – see assurance framework section above</p> <p>Business continuity (BC) – see BC section later</p> <p>Sundry debt system: Internal Audit has had oversight of the implementation of the Council's new sundry debt IT system, Ash Information Systems.</p>	<p>Completed for 2019/20</p>
<p>Contingency</p>	<p>Annual provision for responsive work, special investigations or key/emerging risk areas.</p>	<p>Will also take into account themes/issues coming out of the Annual Governance Statement.</p>	<p>Contingency has been used on one special investigations (see fraud section above). In addition, Internal Audit undertook a review of Payroll BACS and HMRC Payments as control failings led to three payroll related incidences relating to late payment to HMRC, payment of June's payroll four days earlier than planned and a duplicate payment made to the Essex Pensions Fund (which has subsequently been refunded). Recommendations made have been implemented to reduce the risk of further occurrences.</p>	<p>Completed for 2019/20</p>

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Themed/cross cutting audits				
<p>Income Streams</p> <p>To ensure financial resilience the Council needs to protect and maximise its income streams</p>	<p>Finance – income features on the corporate risk register</p>	<p>Each year a portion of Internal Audit work will focus on ensuring key income streams for the Council are maintained and adequately controlled. For 2019/20 this was Third party re-use and recycling credits scheme</p>	<p>Recycling management and income: The Waste Management Partnership Board (WMPB) provides strategic oversight and robust challenge over the contract. Operationally, the contract is managed through Waste Contract Managers meetings and issues are escalated to the WMPB if they are unable to be satisfactorily resolved at manager level. Contract performance is monitored through a set of operational statistics and performance indicators and contract payments are verified prior to approval for payment. Robust controls ensure monthly recycling credits claimed by the Council are complete and accurate</p>	<p>Recycling Management and Income – substantial assurance</p>
<p>Procurement</p> <p>Themed audits - compliance, vfm, fraud, goods and services. End to end processes (need, selection, appointment, contract management and exit strategies)</p>	<p>Risks include noncompliance with legislation, fraud and not achieving value for money.</p>	<p>Annually focus on an aspect of procurement which could range from need, selection, appointment, contract management and exit strategies. For 2019/20, IA will review contract management processes.</p>	<p>Covered in the recycling management audit above. In addition, Internal Audit has monitored the update of procurement practices following its transfer from Business Services to Contracts and Technical Services and given advice on a range of contracts to ensure compliance with the Council's Procurement Rules.</p>	<p>Completed for 2019/20</p>

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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 of those located in the Council's satellite offices: IA will ensure the health and safety of staff working away from the Civic Offices is not being compromised	Health and Safety satellite offices: As a direct result of the audit the Council's Corporate Safety Group has been re-established. The Group is working through the recommendations which include mechanisms to ensure positive assurance is in place that H&S measures are working effectively.	Health and Safety satellite offices – limited assurance
Business Continuity Planning (BCP)	Business continuity is on the corporate risk register	Business Continuity Planning (last audit 2018/19): As detailed under projects, IA will provide advice and guidance as business continuity arrangements are revamped.	Significant improvements in the Council's business continuity arrangements since the 2018/19 no assurance audit, which Internal Audit have been keeping watching brief on. This has included the completion of a corporate and service level business continuity plans, a review of IT disaster recovery arrangements, and a desk top exercise of the plans. This meant the Council was in a good position and able to react positively as a result of Covid-19	Completed for 2019/20

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<p>Key Financial Controls (KFC)</p> <p>Rolling programme of full system and key financial control audits (unless significant change in process/system or poor audit outcome)</p>	<p>Finance – income features on the corporate risk register</p>	<p>A rolling programme of key financial control (KFC) audits. For 2019/20 these are:</p> <ul style="list-style-type: none"> • Fixed assets (last audit 15/16): • Housing Rents and Arrears (last audit 16/17) 	<p>Fixed assets: In progress</p> <p>Housing rents and arrears: There are effective processes regarding rent setting, calculation and collection of these. With effective debt management of current and former arrears. However, procedure notes to accompany these need to be created. Whilst it has been collecting service charges, it has been recognised that the Council is not fully recovering its costs. There is a comprehensive plan to address this.</p>	<p>Fixed Assets – to be reported as part of the 2020/21 Plan</p> <p>Housing Rents and Arrears – moderate assurance</p>
<p>IT Audits:</p> <p>IT Governance, IT Regulation, Security/Privacy, Business Systems, DRP/BCP, Network, Emerging Technologies e.g. mobile devices, IT Applications and Projects</p>	<p>Risks around data and asset security and loss of service.</p> <p>Opportunity for IT to be an enabler for delivering the Council's priorities.</p>	<p>IT Change and Patch Management: A specialist IT Auditor will be brought in to ensure there are judicious, well-designed and executed change and patch management processes.</p>	<p>IT Change and Patch Management: Most infrastructure devices (PCs, workstations, servers, switches) were up to date in terms of firmware and security patch versions. However, some areas were not meeting control standards expected:</p> <ul style="list-style-type: none"> • The operation of the Change Advisory Board has become less robust with many approvals being undertaken by only one person. • Lack of up to date policy or procedure documentation in relation to change and patch management activities; and • The procedure documentation reviewed was no longer operationally relevant 	<p>IT Change and Patch Management – limited assurance</p>

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<p>Community and Partnerships</p> <ul style="list-style-type: none"> • Community and partnerships • Community resilience 	<p>Building stronger communities is one of three Corporate objectives for the Council</p>	<p>Private sector care and grants programme (last audit 15/16): Will consider the use of Disabled Facilities Grants given to eligible homeowners and tenants to make appropriate adaptations to their homes to enable them to remain in their property where possible. Also, repayable assistance which is secured against the property and repayable when the property is sold.</p>	<p>Disabled Facilities Grant: Overall there is a sound control framework to manage and monitor the assessment and award of Disabled Facilities Grants. However, an error was found in that a Housing Association agreed contribution towards the cost of the disabled facilities works had not been collected (it has now). Following the audit, further investigation by the service found this was an isolated incidence.</p>	<p>Disabled Facilities Grants – moderate assurance</p>
<p>Commercial and Regulatory</p> <ul style="list-style-type: none"> • Commercial • Regulatory <p>Several areas underpinning these are covered elsewhere in this Plan e.g. H&S, business continuity, projects and income</p>	<p>In this highly regulated area, key risk is non-compliance with legislation</p>	<p>Private sector housing: Houses in Multiple Occupation (HMO) licences: In 2019/20 audit of HMOs due to recent changes in legislation.</p>	<p>HMOs: The audit confirmed there is a robust control framework for licence applications, fees collection and the issue of licences and the associated conditions.</p>	<p>Houses in Multiple Occupation Licences – substantial assurance</p>

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<p>Housing and Property</p> <ul style="list-style-type: none"> • Property maintenance • Housing • Development 	<p>Housing capital, welfare reform and safeguarding feature on the corporate risk register</p>	<p>Housing Register and Allocations (last audit 2014/15): Examine the end to end process to ensure bona fide customers are allocated housing, taking into account the outcomes from the 2018/19 homelessness audit.</p> <p>Housing H&S – asbestos management: Ensure there is a robust asbestos management framework to protect tenants and visiting Officers and contractors.</p>	<p>Housing register and allocations: Overall there is a sound control framework over the process and controls for admission of eligible applicants to the Housing Register and for the allocation of available properties in accordance with the Council's Housing Allocation Scheme.</p> <p>Housing H&S - asbestos management: An asbestos register and programme of works for asbestos management surveys and inspections is in place for the Council's housing stock. The corporate asbestos policy needs to be assigned to Property Maintenance to ensure it is kept up to date. As a result of the audit staffing arrangements are being reviewed to ensure there is necessary to cover key asbestos management tasks and any emergency incidents should they arise. In addition, asbestos management processes and procedures are being documented to ensure there are clear roles and responsibilities of how and when information is shared between both the Housing Assets and Housing Repairs teams to maintain the accuracy of the asbestos register.</p>	<p>Housing Register and Allocations – substantial assurance</p> <p>Housing H&S asbestos management – moderate assurance</p>

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Planning <ul style="list-style-type: none"> • Planning Policy • Development Management 	Local Plan features on the corporate risk register	Infrastructure Delivery Plan (as part of Local Plan): Internal Audit will assess the processes in place to deliver the Local Plan in 2019/20, in particular the Infrastructure Delivery Plan, the impact on planning obligations and funding arrangements.	Infrastructure Delivery Plan: Not undertaken as the Local Plan has yet to be formally approved by the Inspectorate	Infrastructure Delivery Plan – audit deferred
Contracts and Technical <ul style="list-style-type: none"> • Technical • Contracts 	Keeping the District clean and green is a feature of the Corporate Plan	Recycling management (waste management last audit 15/16): The 2019/20 recycling audit links with the third-party re-use and recycling credit scheme detailed under income.	See recycling management and income audit, earlier under Income Streams	Recycling Management and Income – substantial assurance

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<p>Business Services</p> <ul style="list-style-type: none"> • ICT and Business Support • Accountancy • Legal (shared service) • People Team (HR) <p>Note: IT audits covered elsewhere in the Plan</p>	<p>Efficient use of the Council's financial resources, building and assets is a key feature of the Corporate Plan. As well as enhancing skills and flexibility of our workforce</p>	<p>Reconciliations and housing rent uploads: In 2019/20, the reconciliations and housing rents uploads processes that have been centralised as part of Transformation will be reviewed.</p>	<p>Business support and reconciliations: Building Control, Legal Fees and Industrial and Commercial rents reconciliations are not being carried out and as such there is limited assurance that all transactions in these areas are recorded in the Council's accounting records. This predates the formation of the Business Support Team. The new Business Support arrangement gives the opportunity to clearly define roles and responsibilities, and develop clear procedural guidance, to ensure controls operate effectively.</p> <p>Testing on eight reconciliations carried out by Business Support also identified weakness as follows:</p> <ul style="list-style-type: none"> • No adequate procedure notes; • Reconciliations not signed by the originators; • Reconciliations not signed-off to evidence management review; and • Reconciliation differences not resolved by the service areas. 	<p>Business Support Reconciliations – limited assurance</p>

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<p>Customer Services</p> <ul style="list-style-type: none"> • Governance • Revenue and Benefits (covered under key financial controls) • Customer Services 	<p>Engaging with the changing needs of our customers and having robust local democracy and governance is a key feature of the Corporate Plan.</p>	<p>Customer Services: The 2019/20 customer services review is covered under Performance Management (see earlier on).</p>	<p>Customer Services – covered earlier on under Performance Management</p>	<p>Customer Services – to be reported as part of the 2020/21 plan</p>
<p>Follow Up Audits</p> <p>Review of progress against recommendations on the tracker.</p>	<p>Tracker process ensures risks identified in audits have been managed to an acceptable level.</p>	<p>Includes specific follow up audits especially where Limited assurance previously given. Includes maintenance of the recommendation tracker.</p>	<p>Implementation of all recommendations continues to be scrutinised as part of the tracker process.</p> <p>Recommendations made in previous reports are routinely followed up when the audit is next undertaken, for example housing register and allocations, H&S and housing rents.</p>	<p>Completed for 2019/20</p>