

## **Standards & Audit Committee**

# **Internal Audit Strategy 2020/21 to 2022/23 and Annual Plan 2022/23**

Date: 10<sup>th</sup> March 2022

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# 1 Developing the Internal Audit Strategy

This document sets out the approach we have taken to develop your internal audit strategy for 2020/21 – 2022/23 and the annual plan for 2022/23.

## 1.1 Role of Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

*Definition of Internal Audit: Chartered Institute of Internal Auditors.*

In line with the requirements of the Public Sector Internal Audit Standards (PSIAS), we plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the council has in place, focusing in particular on how these arrangements help the organisation to achieve its objectives. This involves undertaking a risk-based plan of work, agreed with management and approved by the Standards & Audit Committee. Our plan is developed to enable us to provide an opinion at year end, which may also be used by the council to support its Annual Governance Statement.

## 1.2 Factors influencing Internal Audit coverage

The organisation's objectives are the starting point in the development of the audit strategy.

Appendix A reflects the range of potential issues that may affect the council, some of which are included on the risk register. These were used to focus our discussions with management regarding assurance priorities and to determine where internal audit input would be most beneficial.

During 2020/21 we undertook a detailed audit needs assessment across the council to determine the key priorities for services and develop a new 3 year strategy covering the period 2020/21 to 2022/23. This included a specific detailed audit needs assessment of the IT audit plan. IT audit work is undertaken by Mazars, through a framework agreement with Croydon Council. However, a number of factors including the COVID-19 pandemic, retirement of a senior member of the team, resignation of another team member and recruitment freeze had a significant impact on the 2020/21 plan. As a result, a number of reviews from 2021/22 have had to be deferred to 2022/23.

The pandemic has had a significant impact on how the council and its staff operate with the council offices being closed and staff working from home wherever possible. As a result, some audit scopes were changed during the audits to pick up on additional risks that surfaced as a result of the council's response to the pandemic. To provide this additional flexibility, it has been agreed with the Corporate Director of Resources & Place Delivery that we will continue to work to a 6 month plan so we can pick up the changing priorities of services as a result of the pandemic and

undertake work to identify changes that have resulted in improved efficiency and effectiveness.

In preparing the strategy and the annual internal audit plan for 2020/21 to 2022/23, we met with, and attended the meetings for the following:

- HR, OD and Transformation Directorate Management Team;
- Children's Services Senior Management Team;
- Performance Board.

In addition, meetings were also held with the following senior management:

- Corporate Director of Resources and Place Delivery
- Corporate Director of Adults, Housing and Health;
- Assistant Director - Housing;
- Assistant Director – Street Scene & Leisure;
- Assistant Director – Highways, Fleet & Logistics;
- Assistant Director - Lower Thames Crossing & Transport Infrastructure;
- Assistant Director - Place;
- Assistant Director – Planning & Growth;
- Strategic Lead – Legal;
- Strategic Lead – IT;
- Strategic Lead – Procurement;
- Emergency Planning Manager; and
- Corporate Risk & Insurance Manager

The draft plan was presented to all members of Directors Board.

Whilst a number of reviews have had to be deferred due to staffing issues, 2 posts are currently out to advertisement which, when filled, should significantly improve the resources available to the service. In addition, a full audit needs assessment will be undertaken during 2022/23 to enable us to refresh the strategy to cover the next 3 year cycle.

As with previous plans, the plan for 2022/23 needs to be fluid and is constantly being reviewed, particularly during the current circumstances to ensure any changes to policy, process, legislation or priorities are reflected in the current 6 monthly plan. On-going discussions are held with senior management during the year and ad hoc reviews are undertaken where significant risks or control deficiencies are identified.

Changes to the plan can be approved by the Chief Internal Auditor and/or the Corporate Director of Resources and Place Delivery. All changes will be reported to the Standards & Audit Committee as part of the internal audit progress reporting arrangements.

The key areas / factors are summarised below.

### Key areas discussed and their impact on the 2021/22 internal audit plan

- 1 We have agreed to carry out follow up visits to independently provide assurance that high level recommendations are implemented in line with target dates for reports issued in 2021/22.

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- 2 The continued emphasis on achieving savings has been exacerbated by the pandemic which has had a significant impact on income generation and placed additional pressure on the resources available to fund core services.

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The strategy is set out at Appendix B, with the detailed 6 monthly Internal Audit Plan for 2022/23 set out at Appendix C.

As well as assignments designed to provide assurance or advisory input around specific risks, the strategy includes:

- Planned assurance on areas of activity such as the core financial systems;
- A small contingency allocation, which will only be utilised should the need arise and which will be subject to prior approval by the Chief Internal Auditor and/or Corporate Director of Resources and Place Delivery and reported to the Standards & Audit Committee;
- Time to follow up previous recommendations and actions to provide the Standards & Audit Committee with assurance on the actions taken by management to address previous internal audit recommendations. High level recommendations will require further testing as they reach their implementation date. For medium and low level recommendations, we will place reliance on management responses but will follow-up as part of the next review of the service; and
- Audit management, which is used for quality control, preparation of the 3 year Strategy & Annual Plan, Annual Governance Statement, client meetings, External Audit liaison, preparation of the Chief Internal Auditor's Annual Report and attendance at Standards & Audit Committee.

## 2 Assurance Resources

### 2.1 Your Internal Audit Team

Your internal audit team is led by Gary Clifford as Chief Internal Auditor.

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under auditing standards.

### 2.2 Working with other assurance providers

From 2019/20, the council's external auditors changed to BDO. We intend to continue to communicate with the external auditors to avoid duplication of coverage between internal and external audit.

The Standards & Audit Committee is reminded that internal audit is only one source of assurance. Through our plan we do not seek to cover all risks and processes. However, where we can, we will also seek to work closely with other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance can be provided.

### 2.3 Considerations for the Standards & Audit Committee

- Does the Internal Audit Strategy 2020/21 to 2022/23 (Appendix B) cover the organisation's key risks as they are recognised by the Standards & Audit Committee?
- Does the 6 monthly Internal Audit Plan for 2022/23 (Appendix C) reflect the areas that the Standards & Audit Committee believes should be covered as priority?
- Is the Standards & Audit Committee satisfied that sufficient assurances are being received to monitor the organisation's risk profile effectively, including any emerging issues/key risks not included in the strategy or annual plan?

## Appendix A: Issues affecting Thurrock Council

The chart below reflects some of the external and internal issues, both known and emerging that face the Council.

External Factors	Known	Emerging
BREXIT	✓	
Climate Change		✓
Financial Sustainability		✓
Welfare reform	✓	
Business Rates Retention		✓
Public Health (incl Pandemic)	✓	
Environmental, Social and Corporate Governance factors		✓
Regeneration	✓	
House building and financing schemes	✓	
Major Projects		✓
Homelessness	✓	
Cyber Security	✓	
Digital Transformation (including the use of Artificial Intelligence)		✓
General Data Protection Regulation	✓	

Internal Factors	Known	Emerging
Safeguarding	✓	
Fraud	✓	
Procurement	✓	
Medium Term Financial Planning	✓	
Contract Management	✓	
Partnership/Joint working arrangements	✓	
Business Continuity & Disaster Recovery	✓	
Commercialisation (including income generation and investments)		✓
Personal Budgets/Direct Payments	✓	
Financial Resilience	✓	
Financial Reporting	✓	
Transformation Programme	✓	

## Appendix B: Internal Audit Strategy 2020/21 – 2022/23

Auditable Area	Risks	2020/21	2021/22	2022/23
<b>Risk based reviews</b>				
<b>Corporate/Thematic Reviews</b>				
Contract Procedures	Contract procedure rules and the procurement process may be ineffective leading to inefficiency and a lack of value for money.	✓	✓	✓
Budget Management	The new reporting system may not provide the information required by budget holders to manage their budgets effectively and appropriate training might not be provided.	✓		
Contract Management	Failure to have robust governance and monitoring arrangements around contracts that have been awarded could result in escalating costs. Contract managers may not have the skills to manage the contracts effectively.	✓		
Project Management and Governance	Failure to effectively manage projects and have robust governance arrangements in place may result in a failure to deliver the required outcomes and costs escalating.	✓	✓	✓
Corporate Health & Safety	Inadequate health and safety policies and procedures could result in an increase in incidents and accidents.		✓	
Duplicate Payment Testing	If duplicate payments are not identified, the Council may be paying twice for services it only received and budgeted for once.		✓	✓
Public Services (Social Value) Act	The Council fail to take into account the wider social, economic and environmental benefits to the local area when procuring services so may not obtain best value.		✓	
Performance Development Reviews (PDR'S)	If the PDR process is not followed, staff may be awarded an increment when their performance is below that expected and/or further training or assistance is required.			✓
Business Continuity	The Council may not be able to provide key/critical front line services in the event of an emergency or serious disruption.		✓	
BREXIT	Still not clear but may impact on NNDR (if businesses chose to trade outside the UK), increases in costs on contracts paid to foreign contractors due to falling value of the pound sterling, EU Grants and the impact on MTFs, Treasury Management etc.		✓	
<b>Children's Services</b>				
Fostering	Inappropriate persons may be allowed to act as foster parents.	✓		
Adoption (incl. Special Guardianship and Adoption Allowances)	Children may not be appropriately placed with adoptive parents who have been through a robust adoption process.	✓		
Cyclical School Visit Programme	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.	✓		



Auditable Area	Risks	2020/21	2021/22	2022/23
No Recourse to Public Funds (NRPF)	Failure to correctly assess, manage and monitor funds paid to families with NRPF could result in payment for accommodation and subsistence being made to persons who do not qualify.	✓		
Homelessness	The council may not be meeting its obligations under the Children's Act 1989 if it does not accommodate homeless children in need who appear to require accommodation.	✓		
Troubled Families Programme	Funding claims may be rejected if there is insufficient evidence to support the services provided.	✓	✓	✓
After Care Service	The council might not continue to provide continuing support, planning and guidance for a young person who has left care or a supported living environment.		✓	
Children's Centres	The resources of Children's Centres may not be targeted at the most vulnerable families resulting in a poor use of resources.			✓
Cyclical visits to Nursery Schools	Failure to manage the budget and control debt could result in overspends and impact on service provision.		✓	
Children's Direct Payments	Failure to correctly assess clients and monitor expenditure could result in inappropriate or improper use of the funds.			✓
School Placed Planning	Without an effective co-ordinated strategy, the increasing population from families moving into the area from London could result in a shortfall in school places and a failure by the Council to meet its statutory requirements.		✓	
Section 17 Payments to Children in Need	Failure to correctly assess, monitor and manage Section 17 payments could result in them being provided to children who are not entitled to them.			✓
Unaccompanied Asylum Seekers	Payments may be made to asylum seekers who have had their applications rejected and are no longer entitled to get assistance from the Council.			✓
<b>Adults, Housing &amp; Health</b>				
Liberty Protection Safeguarding	Failure to meet the requirements of the Liberty Protection Safeguards, contained in the Mental Capacity (Amendment) Act 2019 may result in vulnerable adults not receiving the help and care they require,		✓	
Collins House	If the financial and operational arrangements at Collins House are not robust, they may not protect the vulnerable adults who reside there and the staff who work there.	✓		
External Providers	If the financial and governance arrangements with external providers are not robust, the council may not be getting the quality of service they commissioned at the agreed cost putting the vulnerable adults who reside there at risk. In addition, poor controls around collection of income from clients' contributions to their care could result in financial loss to the Council.	✓		
Day Care Centres	If the financial and operational arrangements at Day Care Centres are not robust, they may not maximise the available funds to improve the lives of those residents who use their services.	✓		

Auditable Area	Risks	2020/21	2021/22	2022/23
Adult Social Care Placements	If there are not appropriate financial checks in place around placements of people requiring care, resources may not be used efficiently resulting in additional costs.	✓		
Migration Costs to Adult Social Care	The council may not be identifying adults with existing care needs who move into the area resulting in additional pressure on budgets.			✓
Children's and Adults Commissioning Service	If commissioning of services is not effective, the council may not be obtaining value for money.		✓	
Children's and Adults Finance Function	If processes and procedures are not operating effectively, there may be duplication and inconsistent decision making.		✓	
Workforce Planning Project – Caring as a Career	Opportunities may be missed to promote a regional joint commissioning model with Public Health to help in developing the care profession.			✓
Adult's Direct Payments	Failure to correctly assess clients and monitor expenditure could result in inappropriate or improper use of the funds.		✓	
Extra Care Follow-up	If the recommendations from the review undertaken in 2019/20 are not implemented, cash may continue to be used which could result in funds being misappropriated.	✓		
Primary Care Contracts – Sexual Health	If performance is not monitored and checked, clients may not get the level of service they are entitled to under the primary care contracts for sexual health.		✓	
Housing Allocations	Policies and procedures may not be followed which could lead to complaints about equality and the fairness around the assessment process and allocation of Council properties.			✓
Housing Tenancy Audits	Failure to identify current tenants in council properties could result in increases in properties being sublet when there are residents on the housing waiting list who are eligible to be housed in those properties.		✓	
Right to Buy	If correct procedures are not followed, incorrect discounts may be applied resulting in loss of income to the Council.		✓	
Temporary Accommodation	The framework procurement agreed by Cabinet in March 2020 may not result in sufficient letting agents and private landlords being contracted with, resulting in increasing costs being spent on temporary accommodation.	✓		
Houses in Multiple Occupation (HMO's)	If there are not robust arrangements in place around licencing, If there are not robust arrangements in place around licencing, residents may be residing in properties that are not fit for purpose.	✓		
Homelessness	The council's Homelessness Reduction Strategy may not be effective resulting in an increase in homeless families and rough sleepers across the borough. New arrangements and changes to legislation could result in the Council not being able to discharge its duties in respect of homelessness.	✓		

Auditable Area	Risks	2020/21	2021/22	2022/23
Leaseholders	Charges made to leaseholders for services provided may not be reasonable or in line with guidance.	✓		
Safeguarding	If there are not robust contracts around partnerships for supported living, residents may not be properly safeguarded.		✓	
Building Safety	The council may not be compliant with the recommendations from the Hackitt Review of Building Regulations and Fire Safety following the tragedy at Grenfell Towers thereby putting residents at risk.		✓	
Housing Voids	If the correct policies and procedures are not in place, void properties may not be returned to the council housing stock in a timely manner resulting in lost income and potential increased costs for temporary accommodation.	✓		
Thurrock Regeneration Limited (TRL) Governance Arrangements	If governance arrangements are not robust and the Board do not have the necessary skills, decisions may be made which cannot realistically be delivered resulting in less properties being built than are required.	✓		
Housing Development	If the process for identifying new sites for housing developments is not transparent to the public, objections may result in the development being delayed or not happening at all.	✓		
Water Charges to Tenants	If the council fail to charge tenants who pay their water rates as part of their rent the incorrect amount, they may have to refund the overpayments resulting in unexpected financial implications on other services.	✓		
Library Visits	The operational and financial management arrangements in Libraries may be inadequate which could result in poor budgetary control and misappropriation of funds.		✓	
Gas Safety Inspections	Council properties may not be inspected in accordance with legislation and/or policy.			✓
Electrical Safety Inspections	Council properties may not be inspected in accordance with legislation and/or policy.			✓
Disabled Facilities Grants	Grants may not be used in accordance with grant requirements.		✓	
Responsive and Planned Maintenance	Contracts around repairs and maintenance and planned maintenance may not be managed resulting in residents not having quality housing available to them and costs escalating.		✓	
Adult Social Care Expenditure	To provide assurance to external audit around key financial systems.		✓	
Adult Social Care Income				✓
Housing Rents		✓	✓	✓
<b>Finance, Governance &amp; Property</b>				
Insurance	There could be an increase in claims due to ineffective monitoring and use of resources.		✓	

Auditable Area	Risks	2020/21	2021/22	2022/23
Risk Management	Failure to identify risk as part of the business planning cycle could lead to failure of the plans and reputational damage to the Council.		✓	
VAT	The council may not be complying with the issues raised following the Inspection by HMRC in 2019/20 which could result in a loss of VAT reclaimed.	✓		
Treasury Management	If appropriate checks and balances are not in place, the council could expose itself to additional financial risk and may not maximise income from its investments and borrowing.	✓		
Corporate Purchase Cards	The use of Purchase Cards could result in staff ordering and paying for goods that are not appropriate resulting in a financial loss to the Council.	✓	✓	✓
Locum Charges	The use of Locums to supplement existing staff can be an expensive use of resources if they are not monitored as they could charge for work that has not been carried out.		✓	
Section 113 Agreement charging mechanism (Barking & Dagenham)	If the charging system for staff who work across both LBBD and Thurrock under a section 113 agreement are not monitored, the council may be paying for services that have not been provided.	✓		
Committee Services Function and Resources	As the role of local authorities expands and more committees are introduced, the Democratic Services team may not have the resources to effectively service these new committees.	✓		
Election Expenses	Service budgets could be used to supplement the costs of running the election when these costs should be met from the elections funds provided by central government for all elections except for local elections which are funded by the council.		✓	
Local Government Ethical Standards – Action Plan	The council and members may not be meeting their responsibilities and be compliant with the Local Government Standards resulting in potential criminal offences being committed	✓		
Bye Laws – Highways, Play Areas and Parks	If there are not processes in place to monitor existing, and identify new and emerging bye-laws, the council may not be compliant which could result in fines and penalties.		✓	
Charities' Land Ownership	Charities may be using their land and premises to generate additional income resulting in a change of use which could have legal and insurance implications.			✓
Shop Premises	Arrangements' around the management of shop premises may not be robust leading to loss of income to the Council.			✓
Register of Interests, Gifts & Hospitality	Non-compliance with the Constitution and Code of Conduct may open the Council up to accusations of impropriety.	✓	✓	✓
Member's Allowances	Allowances may not be claimed or paid in accordance with the decision of the independent panel.		✓	
Asset Management – Disposals & Acquisitions	Disposals and acquisitions may not be effectively managed resulting in loss of opportunities, funding and reputation.	✓		

Auditable Area	Risks	2020/21	2021/22	2022/23
A13 Kier issues and compensation claims	If compensation claims are not robustly monitored and managed, the council may be paying the contractor for claims which are not reasonable or within the scope of the project resulting in escalating costs.	✓		
Stanford Le Hope Contracts	If the design stage of the project is not properly managed and challenged, the consultants may not work with the council to identify the key risks resulting in additional build costs.		✓	
Belmont Road contract review	There have been problems with this site which have resulted in delays in completing the work. This includes one of the contractors walking off site and putting in a compensation claim and the fact the contract was not novated to TRL so remains with the council.	✓		
Core Protection and Appointee Team	Poor management and lack of controls could result in the assets of adults deemed to be financially incompetent under the Mental Capacity Act being misappropriated.		✓	
Oracle – General Ledger	To provide assurance to external audit around key financial systems.		✓	✓
Accounts Payable		✓	✓	✓
Accounts Receivable		✓	✓	✓
Council Tax		✓	✓	✓
National Non Domestic Rates		✓	✓	✓
Housing Benefits		✓	✓	✓
Treasury Management			✓	
Asset Register			✓	
<b>Public Realm</b>				
Bridge Maintenance	Ineffective Bridge Maintenance may result in expensive unplanned costs being incurred.		✓	
Emergency Planning	The Council may not be able to react appropriately in the event of a disaster.			✓
Arboricultural Services	If the new asset management software is not fit for purpose, the council will not be able to monitor and maintain its species in accordance with its strategy which could result in some species of trees and plants being lost.	✓		
Burials Service	The council may not manage its assets appropriately resulting in additional costs to residents and poor use of resources.		✓	
Waste Strategy	The council might not incorporate and action new legislative changes into its strategy resulting in non-compliance and potential financial implications.			✓

Auditable Area	Risks	2020/21	2021/22	2022/23
Waste Contracts	If contracts are not procured and managed in a robust way, the council may find itself incurring additional costs and not meeting its targets in terms of recycling and its impact upon the environment.			✓
Stores Follow up Review	Follow up review to ensure the recommendations made during the audit review undertaken in 2018/19 have been implemented.	✓		
Fleet Follow up Review	Follow up review to ensure the recommendations made during the audit review undertaken in 2018/19 have been implemented.	✓		
Home to School Transport	If the new software is not fit for purpose, the council may not manage its school contracts effectively and efficiently resulting in additional costs being incurred.	✓		
Highways Reactive Maintenance – Requests & Responses	The Council may fail to maintain a dialogue with the residents reporting faults resulting in damage to the Council's reputation and a deteriorating local highways network.		✓	
Commercial Waste	New sales activity started May 16. Some invoices outstanding. Now actively seeking and winning new business. If processes are not robust, the Council may not be billing customers and getting in the income.			✓
Environmental Health (Air Quality) Follow up	Follow up of the review carried out by Internal Audit in 2018/19 to ensure actions have been implemented and improvements made and the council are meeting their statutory obligations for air quality management.		✓	
Licencing - Premises	If premises are trading without the required licence, they may be operating from premises that are not legal and do not meet applicable health and safety requirements.	✓		
Licencing - Taxis	If taxi drivers are working without a relevant licence, they may not have been subjected to appropriate safeguarding checks or be operating in unregistered vehicles.	✓		
Building Control	If the service do not respond in a timely manner and their rates are excessive, they may lose business and income to competitors resulting in a loss of income to the council.	✓		
Community Safety	Non-compliance with section 17 of the Crime and Disorder Act relating to the Council's duty to consider crime and disorder implications may leave them open to legal challenge.		✓	
Strategic Transport Plan	If the council do not have a Strategic Transport Plan, it may not take into account the effects of development and regeneration within Thurrock resulting in increased congestion and a negative impact on the environment.		✓	
Trading Standards	Non-compliance with statutory requirements in respect of Trading Standards might result in dissatisfaction amongst local residents.			✓

Auditable Area	Risks	2020/21	2021/22	2022/23
Fraud Team – Income Generation	Failure to achieve income targets may result in the service not meeting its objectives and plans and resources may have to be diverted from other services to support the team.		✓	
Enforcement Team	If processes are not robust and fair, the council may not issue penalties and fines in line with legislation resulting in appeals and damage to the council's reputation.			✓
ISO 9001 – Environmental Services	If the council does not meet the requirements set out in the standard, it will lose its accreditation which could result in a reduction in controls around management, processes and procedures.	✓	✓	✓
<b>Strategy, Engagement and Growth</b>				
Economic Development Purfleet Centre Regeneration Ltd	Failure to manage the project effectively could result in the Council failing to deliver on time and within budget which could have financial and reputational consequences.	✓		
Economic Development Grays Town Centre	Failure to manage the project effectively could result in the Council failing to deliver on time and within budget which could have financial and reputational consequences.		✓	
Economic Development Tilbury Town	Failure to manage the project effectively could result in the Council failing to deliver on time and within budget which could have financial and reputational consequences.		✓	
Local Plan	Due to issues around the Lower Thames Crossing, the council are developing a new Local Plan. Failure to adopt a Local Plan could result in sites not being identified and developed to benefit the local community.		✓	
Performance Management (Data Quality)	Performance Management may not be embedded in the organisation resulting in poor performance, poor quality information and poor decision making.	✓	✓	✓
Thurrock Registrar's Office	The Council may not comply with legislation resulting in increased external scrutiny by the Cabinet Office.			✓
Cash & Banking	To provide assurance to external audit around key financial systems.		✓	
<b>HR, OD &amp; Transformation</b>				
Complaints	If complaints from members of the public and members are not responded to correctly and within timeframes, the reputation of the council may be damaged and there could be fines and penalties levied by the Ombudsman.	✓		
Data Protection	Failure to comply with the Data Protection Act 2018 could result in sensitive information being shared, resulting in significant fines and penalties being levied against the council.	✓		
Geographic Information System	If the Council does not have an up to date GIS system, including the Local Land & Property Gazetteer and Local Street Gazetteer, it may not be utilising the system efficiently or meeting its statutory responsibilities.			✓



Auditable Area	Risks	2020/21	2021/22	2022/23
Disclosure and Barring Service (DBS)	DBS checks that are due for renewal may not be identified resulting in changes to their circumstances not being reflected which could result in inappropriate persons being employed/used.	✓	✓	✓
Payroll	If payroll processes and procedures are not robust and accurate, staff may not get paid correctly, or at all.	✓	✓	✓
Off Payroll Engagement (IR35)	The Council may not be identifying personal service companies (PSC's) so will not be making the appropriate tax and NI deductions from the invoice net of any material costs resulting in the council being responsible for paying any back tax and NI due.	✓	✓	✓
Health and Care Professions Council Social Work England Registration	If health and social care staff are not registered, they may not have the necessary skills and knowledge to perform the tasks required of them.		✓	
Recruitment	Poor recruitment policies, procedures and practices could result in the council employing staff who are not suitable for the role.		✓	
Probation/Induction (On Boarding)	If staff are not properly on-boarded to the council, they may not be able to properly undertake their job and not complete their probation satisfactorily resulting in the need to incur additional expenditure recruiting someone more suitable.	✓		
Annual Leave	If annual leave is not correctly calculated, input or authorised, staff may take more, or less, leave than they are entitled to.		✓	
Sickness Management	Failure to effectively manage sickness could result in absences increasing, costs for cover staff escalating and the council not meeting its duty of care towards its employees			✓
Mileage Claims	With the move to self-service and automated approval of mileage claims, there is a greater risk that inaccurate claims could be submitted resulting in additional cost to the council.			✓
General Data Protection Regulations (GDPR)	A rolling programme of audits to cover the following: Preparation for the adoption of GDPR including arrangements around data storage (electronic and physical); confidentiality, integrity and availability of data; information governance; compliance with DPA and FOI; detection of data breaches and how they are dealt with and reported (internally and externally), organisational awareness and training; and data classification and management.			✓
IT – Network Security	These reviews were identified as part of an audit needs assessment undertaken between Mazars and IT and for which a separate plan has been produced.		✓	
IT – Firewalls			✓	
IT – Cyber Security				✓
IT – Email & Exchange Server			✓	



Auditable Area	Risks	2020/21	2021/22	2022/23
IT - Business Continuity & Disaster Recovery		✓		
IT – Data Back-up		✓		
IT – Data Applications - Oracle		✓		
IT – Data Applications - Northgate				✓
IT – Data Applications – Liquidlogic Adults & Children’s Systems (LAS, LCS)				✓

Auditable Area	Risks	2017/18	2018/19	2019/20
<b>Other Internal Audit Activity</b>				
Follow up	To meet internal auditing standards, and provide assurance on action taken to address recommendations previously agreed by management.	✓	✓	✓
Contingency	To allow additional reviews to be undertaken in agreement with the Standards & Audit Committee or management based in changes in risk profile or assurance needs as they arise during the year.	✓	✓	✓
Management	This will include: <ul style="list-style-type: none"> <li>• Annual planning.</li> <li>• Preparation for, and attendance at, Standards &amp; Audit Committee.</li> <li>• Regular liaison and progress updates.</li> <li>• Liaison with external audit and other assurance providers.</li> <li>• Preparation of the annual opinion.</li> <li>• Attendance at Directorate Management Team, Leadership Group, Home Counties Chief Internal Auditors Group, London Audit Group and Essex Audit &amp; Counter Fraud Group meetings.</li> <li>• Preparation of the Annual Governance Statement.</li> </ul>	✓	✓	✓

## Appendix C: 6 monthly Internal Audit Plan 2022/23

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
<b>6 monthly Internal Audit plan 2022/23</b>			
<b>Corporate/Thematic Reviews</b>			
Contract Procedures	To ensure the procurement of contracts is in compliance with legislation and the Council's Constitution. The awarding of contracts is backed up by appropriate documentation and evidence.	Compliance	On-going
Budget Management	To review the new reporting system "Beyond" which supports Oracle and ensure it has been rolled out appropriately, staff have been trained and reports are understood by budget holders.	System	July/August 22
Contract Management	To ensure there are robust monitoring and governance arrangements around key contracts so the council can be confident that they are being managed properly.	Assurance	On-going
Business Continuity	To ensure the council and its partners have robust arrangements in place in the event of a disaster.	Assurance	May 22
Financial Sustainability	To review the resilience of the council's financial arrangements in the short to medium term following the additional financial pressures resulting from the COVID-19 pandemic.	Assurance	May/Jun 22
COVID-19 Grant Claim Certification	To review income and expenditure relating to COVID-19 and ensure it has been used in accordance with the grant conditions.	Compliance	On-going
Project Management & Governance	To review the terms of reference and effectiveness of project boards and the arrangements around the project control framework.	Assurance	As and when required
<b>Children's Services</b>			
After Care Service	The council has a statutory obligation to provide continuing support, planning and guidance for a young person who has left care or a supported living environment to help them to be able to live independently.	Assurance	September 22
Troubled Families Programme	Checking of a sample of claims to determine if evidence is sufficient to confirm that the claims being submitted are appropriate and correct.	Advisory	On-going when claims are due.
<b>Adults, Housing &amp; Health</b>			
Extra Care	A review to ensure that the financial arrangements at the Extra Care facilities are	Follow up	May 22

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	robust and protect the vulnerable adults who reside there and the staff who work there.		
Collins House	To undertake a review of the financial arrangements at Collins House to ensure they are robust and protect the vulnerable adults who reside there and the staff who work there.	Assurance	September 21
External Providers	To undertake a review of the governance, monitoring and financial arrangements with external providers to ensure they are robust and protect the vulnerable adults who reside there.	Assurance	TBA
Placements – financial checks and use of resources	To review how management monitor and check placements including controls around financial limits and the use of resources.	Assurance	TBA
Temporary Accommodation	To review the processes and procedures in place around the mandatory licencing scheme and additional licences and determine if non-compliance is resulting in robust enforcement.	Assurance	June 22
Leaseholders	New Northgate module for revenue service charges being implemented so there is a need to review that it meets the council's requirements.	System	TBA
Housing Voids	To review the policies and procedures surrounding the voids process, including the identification of void properties and turnaround targets against actual performance.	Assurance	June 22
<b>Resources and Place Delivery</b>			
Treasury Management	A review to look at new processes and procedures introduced as a result of the use of a consultancy to scope a design pack for interest received and the amount of borrowing.	Assurance	TBA
Corporate Purchase Cards	To review the application, monitoring and management of the purchase card process following the decision to roll them out across the council to reduce the need to set up numerous suppliers for small value purchases.	Compliance	TBA
Committee Services Function and Resources	With an increasing number of committees and member boards, there is a need to ensure that the Democratic Services team have sufficient capacity to deliver.	Assurance	TBA
Local Government Ethical Standards – Action Plan	The Committee on Standards in Public Life published their latest report in January 2019 which made a number of recommendations to enhance ethical governance for members. There is a need to ensure the council adopts these recommendations.	Assurance	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Register of Interests, Gifts & Hospitality	Annual review to ensure members and senior officers review and update the register in line with guidance. This may be incorporated into the Local Government Standards Action Plan review.	Assurance	July 22
Asset Management – Disposals & Acquisitions	Changes introduced to encourage local authorities to identify and potentially dispose of surplus assets to generate income need to be reviewed. In addition, assets may be acquired for investment purposes including land purchases for housing developments.	Assurance	August 22
IT - Business Continuity & Disaster Recovery	Identified as a high risk area when completing an audit needs assessment of IT coverage.	Assurance	TBA (provider not yet sure due to COVID 19)
IT – Data Back-up	Identified as a high risk area when completing an audit needs assessment of IT coverage.	Assurance	TBA (provider not yet sure due to COVID 19)
IT – Data Applications - Oracle	Identified as a high risk area when completing an audit needs assessment of IT coverage.	Assurance	TBA (provider not yet sure due to COVID 19)
<b>Public Realm</b>			
Home to School Transport	A new transport system is being introduced and management requested a review to determine that it is operating as expected and benefits are being realised.	System	April/May 22
ISO 9001 – Environmental Services	Previous Auditor had to pull out of contract so internal team now provide this service which covers a number of areas in Environment.	Compliance	On-going as and when inspections are due.
Project Health Checks	Random sample testing of projects to ensure they are being managed in line with the new methodology.	Assurance	On-going
Economic Development Purfleet Centre Regeneration Ltd	To review the project management, funding and governance arrangements to ensure the project is meeting its objectives and will be completed in line with agreed timeframes.	Assurance	TBA
Housing Development	Management request to review the process around identifying and reporting new sites for housing, including transparency around consultation with the public.	Assurance	TBA
Thurrock Regeneration Limited (TRL) Governance Arrangements	A review to determine the robustness of the corporate governance including the skill set of the Board, decision making and monitoring processes around the Council's wholly owned housing company.	Assurance	TBA
Licencing - Taxis	A number of authorities have identified concerns	Assurance	April 22

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	around taxi firms and safeguarding of local residents. Having robust checking processes around the licencing of drivers can reduce this risk.		
<b>Strategy, Engagement and Growth</b>			
Performance Management (Data Quality)	Sample testing of key performance indicators taken from the balanced scorecard, both national and local to verify accuracy of data. This may be done through a one-off audit around a sample of KPI's or checks undertaken on individual audit reviews.	Advisory	On-going
<b>HR, OD &amp; Transformation</b>			
Data Protection	The Data Protection Act 2018, which compliments GDPR, has changed the requirements on local authorities and increased the penalties for non-compliance.	Assurance	TBA

Auditable Area	Internal Audit Coverage	Audit Approach	Proposed Timing
<b>Core financial reviews to provide assurance to External Audit</b>			
Accounts Payable	<ul style="list-style-type: none"> <li>• Ordering &amp; authorisation</li> <li>• Invoice matching</li> <li>• Separation of duties</li> <li>• Payment processing</li> <li>• BACS transfers</li> <li>• Reconciliation</li> </ul>	System	TBA
Accounts Receivable	<ul style="list-style-type: none"> <li>• Processes and procedures</li> <li>• Reconciliation</li> <li>• Write-offs</li> <li>• Recovery</li> <li>• Analysis</li> </ul>	System	TBA
Council Tax	<ul style="list-style-type: none"> <li>• Processes and procedures</li> <li>• Reconciliation</li> <li>• Billing</li> <li>• Collection &amp; Recovery</li> </ul>	System	September 22
National Non Domestic Rates	<ul style="list-style-type: none"> <li>• Processes and procedures</li> <li>• Reconciliation</li> <li>• Billing</li> <li>• Collection &amp; Recovery</li> </ul>	System	September 22
Housing Benefits	<ul style="list-style-type: none"> <li>• Processes and procedures</li> <li>• Processing of forms</li> <li>• Entitlement checks</li> <li>• Reconciliation</li> <li>• Raising Debts</li> <li>• Year-end balancing</li> </ul>	System	April/May 22
HR/Payroll	<ul style="list-style-type: none"> <li>• Starters/Leavers</li> <li>• Authorisation</li> <li>• System access</li> <li>• Amendments</li> <li>• Exception reporting</li> <li>• Reconciliation</li> <li>• Suspense accounts</li> </ul>	System	TBA
Housing Rents	<ul style="list-style-type: none"> <li>• Tenant checks</li> <li>• System access controls</li> <li>• Reconciliation</li> <li>• Calculations of payments</li> </ul>	System	TBA

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<b>Other Internal Audit Activity</b>			
Contingency	To allow additional reviews to be undertaken in agreement with the Standards & Audit Committee or management based in changes in risk profile or assurance needs as they arise during the year. Ad hoc project work for services in an advisory capacity.	N/A	On-going
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	Follow up	On-going
Management	<p>This will include:</p> <ul style="list-style-type: none"> <li>• Annual planning.</li> <li>• Preparation for, and attendance at, Standards &amp; Audit Committee.</li> <li>• Regular liaison and progress updates.</li> <li>• Liaison with external audit and other assurance providers.</li> <li>• Preparation of the Head of Internal Audit's Annual Report.</li> <li>• Attendance at Directorate Management Team, Leadership Group, Home Counties Chief Internal Auditors Group, London Audit Group, Essex Audit and County Chief Auditors Network meetings.</li> <li>• Preparation of the Annual Governance Statement</li> </ul>	N/A	On-going