

Standards & Audit Committee

Internal Audit Strategy 2016/17 to 2018/19 and Annual Plan 2016/17

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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 2016/17 – 2018/19 and the annual plan for 2016/17.

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: 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.

In preparing the strategy and the annual internal audit plan, we met with and attended the DMT's for Children's Services and Adults, Health and Housing and discussed the plan more widely with members of the Directors Board.

The key areas / factors are summarised below.

Key areas discussed and their impact on the 2015/2016 internal audit plan

- 1 The Council continues to develop its Risk Management framework and culture. We will therefore be providing assurance that this continues to evolve in a timely and effective manner.

- 2 We have agreed to carry out either follow up visits to independently provide assurance that recommendations have been implemented in 2015/16.

- 3 The continued emphasis on achieving savings, including shared service or joint working arrangements with other local authorities is reflected in a number of areas within the plan.

- 4 New and changing legislation, particularly around Children's Services and Adults, Health & Commissioning have been discussed and resulted in an increased programme of reviews in these service areas.

The strategy is set out at Appendix B, with the detailed internal audit plan for 2016/17 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 contingency allocation, which will only be utilised should the need arise, and which will be subject to prior approval by the Head of Corporate Finance and/or 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 Annual Governance Statement, client meetings, external audit liaison, preparation of the annual opinion 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 Internal Audit Manager.

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

We intend to meet with the External Auditor to avoid duplication of coverage between Internal and External Audit. This will also ensure that External Audit can continue to place their planned level of reliance on our coverage of financial controls.

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 2016/17 to 2018/19 (Appendix B) cover the organisation's key risks as they are recognised by the Standards & Audit Committee?
- Does the internal audit plan for 2016/17 (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. We have identified using italics, those that are fully or partially covered within this years' annual plan.

External Factors	Known	Emerging
<i>Economic downturn and austerity</i>	✓	
Localism Act		✓
Welfare reform		✓
<i>Public Health</i>	✓	
<i>Regeneration</i>	✓	
Personal Budgets/Direct Payments	✓	
Changes to Government Policy		✓
Local Pay T&C's for staff		✓
<i>House building and financing schemes</i>	✓	
Relaxation of planning rules		✓

Internal Factors	Known	Emerging
<i>Safeguarding</i>	✓	
<i>Risk management</i>	✓	
Fraud	✓	
Medium Term Financial Planning	✓	
<i>Data Quality</i>	✓	
<i>Partnership/Joint working arrangements</i>	✓	
Business Continuity & Disaster Recovery	✓	
Income generation	✓	
<i>Community leadership/engagement</i>		✓
<i>Financial Management & Controls</i>	✓	
<i>Financial Reporting</i>	✓	
Transformation Programme		✓

Appendix B: Internal Audit Strategy 2016/17 – 2018/19

Auditable Area	Risks	2016/2017	2017/2018	2018/2019
Risk based reviews				
Corporate/Thematic Reviews				
Performance Management (Data Quality)	Performance Management may not be embedded in the organisation resulting in poor performance, poor quality information and poor decision making.	✓	✓	✓
Contract Procedures	Contract procedure rules and the procurement process may be ineffective leading to inefficiency and a lack of value for money.	✓	✓	✓
Project Management	The project management process might not meet its objectives and be rolled out across the Council.		✓	
Budgetary Control	Budgets may not be controlled and monitored leading to service overspends.		✓	
Medium Term Financial Strategy	The Council may not achieve their reported savings resulting in budget overspends.		✓	
Safeguarding	If the proper checks are not carried out, inappropriate persons may be employed resulting in an increased risk to vulnerable individuals and families.	✓		
Business Continuity	The Council may not be able to provide key/critical front line services in the event of an emergency or serious disruption.		✓	
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.		✓	
No Recourse to Public Funds	Failure to correctly assess, manage and monitor funds paid to families with no recourse to public funds could result in payments being made to persons who do not qualify.	✓		
Children's Services				
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.		✓	
Asset Management – Children's Services	The revised asset management arrangements may not lead to on-going improvements in the quality of educational facilities.		✓	
Cyclical School Visit Programme	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.	✓	✓	✓
Children's Centres	The resources of Children's Centres may not be		✓	

Auditable Area	Risks	2016/2017	2017/2018	2018/2019
	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.	✓		
Personal Budgets	Failure to monitor care packages effectively could result in care being paid for that is not required, or, care not being provided to meet the needs of the client.		✓	
Children's Direct Payments	Failure to correctly assess clients and monitor expenditure could result in inappropriate or improper use of the funds.			✓
Educational Visits	Staff taking young adults on educational visits may not be properly trained or checked and there may not be appropriate risk assessments carried out for each trip to minimise incidents.		✓	
Looked After Children's Fund	Funds could be misappropriated if there are not strong controls around the management and monitoring of Looked After Children's Funds.	✓		
Virtual School for Looked After Children	The change of headteacher and external inspection process could result in non-compliance issues which need to be reviewed and addressed.		✓	
School Placed Planning	Without an effective co-ordinated strategy, the increasing population could result in a shortfall in school places and a failure by the Council to meet its statutory requirements.			✓
Catering Provision in Schools	There may not be sufficient monitoring by the Council of the quality and provision of the service to schools including the provision of free meals to infant children and the repair and maintenance of kitchen equipment.		✓	
Supervised Contact	Costs associated with supervised contact may continue to escalate due to the continued use of higher cost agency staff.	✓		
Troubled Families Programme	Funding claims may be rejected if there is insufficient evidence to support the services provided.	✓	✓	✓
Adolescent Social Work Team	Following restructuring of the service, it could become ineffective resulting in increased numbers of teenagers coming into care.	✓		
Early Offer of Help	Review the effectiveness of the multi-agency safeguarding hub (MASH) to ensure it is providing value for money and resources are not being overly stretched resulting in lapsed controls.	✓		
Procurement in Schools	Poor procurement practices may result in the school's not getting good quality services in a cost effective manner resulting in additional	✓		

Auditable Area	Risks	2016/2017	2017/2018	2018/2019
	costs.			
Children's Care Packages for Children with Special Educational Needs and Disabilities	Poor planning, management and monitoring of care packages could result in vulnerable clients not getting the support they need, or, getting more support than they need.		✓	
Education, Health & Care Plans	The Council needs to ensure that the plans which support children with special educational needs are compliant with the new legislation and the Council are on target to complete by the target date of 2018.	✓		
Health & Safety in Schools	The Corporate Health & Safety team may not have the capacity to provide the service to schools resulting in an increase in incidents and accidents.		✓	
3 rd Sector Arrangements	Arrangements between the Council and the 3 rd (voluntary/ charity) sector may not result in VFM being achieved.			✓
Adults, Housing & Health				
Devolved Decision Making	A lack of transparency and clarity around the process for agreeing care packages could result in poor decision making and inappropriate use of resources.		✓	
Better Care Funding	If there are not appropriate financial arrangements around authorisation and payments, funds may not be spent appropriately.	✓		
Adult's Direct Payments	Failure to correctly assess clients and monitor expenditure could result in inappropriate or improper use of the funds.			✓
Care Act	One year review to ensure changes to legislation have been implemented in a timely and appropriate manner.	✓		
Extra Care	Poor controls around the payment of expenditure and collection of income for vulnerable adults may result in misappropriation of funds and financial loss to the clients.		✓	
Provider Services – Collection of Residential Care Home Income	Poor controls around collection of income from clients' contributions to their care could result in financial loss to the Council.	✓	✓	
Out of Area Sexual Health	If invoices do not provide sufficient detail of the services purchased, payments may be made for services that have not been supplied.			✓
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.	✓		
Financial Top-ups	If appropriate and robust checking processes are not in place, funds may be allocated to	✓		

Auditable Area	Risks	2016/2017	2017/2018	2018/2019
	persons not entitled to them.			
Adult Care Packages (Mental Health)	Poor planning, management and monitoring of care packages by the South Essex Partnership Trust (SEPT) could result in vulnerable clients not getting the support they need, or, getting more support than they need.		✓	
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.	✓		
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.		✓	
Homelessness	New arrangements and changes to legislation mean that the Council might not be able to discharge its duties in respect of homelessness.		✓	
Leaseholder Charges	Charges made to leaseholders for services provided may not be reasonable or in line with guidance.		✓	
Housing Investment Programme	Contracts around repairs and maintenance, planned maintenance and Transforming Homes may not be managed resulting in residents not having quality housing available to them.	✓		
Finance & IT				
Insurance	There could be an increase in claims due to ineffective monitoring and use of resources.	✓		
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 relevant VAT legislation resulting in potential fines or penalties.	✓		
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.		✓	
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.		✓	
IT Business Continuity & Disaster Recovery	Key IT systems may not be able to be recovered in a timely manner in the event of a disaster resulting in the loss of key services, particularly around the young and vulnerable.		✓	
Work to be agreed as	TBA	✓	✓	✓

Auditable Area	Risks	2016/2017	2017/2018	2018/2019
part of Audit Needs Assessment process.				
Environment & Place				
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.	✓		
Gloriana Thurrock Ltd	Poor corporate governance, decision making and monitoring arrangements may result in Gloriana Thurrock Ltd, the Council's wholly owned housing company, not meeting their targets for new housing.	✓	✓	✓
Asset Management – Disposals & Acquisitions	Disposals and acquisitions may not be effectively managed resulting in loss of opportunities, funding and reputation.	✓		
Asset Based Community Development	Residents may not maximise the opportunities to develop their communities and improve their quality of life.		✓	
Highways and Environment Service	Follow-up of the recommendations resulting from the in service review by an independent consultant.	✓		
Passenger Transport (including education)	Failure to adhere to the new policies and procedures could result in non-statutory services being provided and see costs escalating above the statutory minimum.			✓
Environmental Health (Pollution Control)	Poor environmental health processes could fail to identify and/or prevent pollution resulting in potential financial and reputational loss to the Council.			✓
Health & Safety	Inadequate health and safety policies and procedures could result in an increase in incidents and accidents.		✓	
Purfleet Regeneration Project	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.	✓		
Emergency Planning	The Council may not be able to react appropriately in the event of a disaster.		✓	
Bridge Maintenance	Ineffective Bridge Maintenance may result in expensive unplanned costs being incurred.		✓	
Building Control	The Building Control Service may not maintain a competitive place in the market and might not provide value for money.			✓
Cyclical reviews of licensing arrangements	Licences may be issued to persons who do not meet or satisfy statutory requirements		✓	
Shop Premises	Arrangements' around the management of shop premises may not be robust leading to loss of income to the Council.	✓		

Auditable Area	Risks	2016/2017	2017/2018	2018/2019
Garages	Arrangements' around the management of garages may not be robust leading to loss of income to the Council.			✓
Car Parking Service	Follow-up of the recommendations resulting from the in service review by an independent consultant.	✓		
Trading Standards	Non-compliance with statutory requirements in respect of Trading Standards might result in dissatisfaction amongst local residents.		✓	
Street Services	The street cleaning service may not be improving leading to dissatisfaction among residents and damage to the Council's reputation.	✓		
Library Visits	The operational and financial management arrangements in Libraries may be inadequate which could result in poor budgetary control and misappropriation of funds.	✓		
Thurrock Registrar's Office	The Council may not comply with new legislation resulting in increased external scrutiny by the Cabinet Office.			✓
Legal				
Traded Services with LBB and Brentwood Council's	The Council may not follow correct procedures resulting in loss of income.	✓		
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.		✓	
Commercial Services & Commissioning				
Procurement – spend under £75K	Controls over smaller procurement spend may not be as robust as on larger contracts resulting in poor value for money.	✓		
Extensions to contracts of consultants	Value for money may not be achieved if contracts and the use of consultants are continually extended. The Council may also not be compliant with relevant HMRC and employment legislation or its own Constitution.	✓		
HR, OD & Transformation				
Sickness Management	Target levels set for sickness may not be achieved resulting in additional costs for agency workers.	✓		
Recruitment Process incl. Starters	If the process is not robust, fit for purpose and complied with, inappropriate persons may be employed.			✓
HR Data Management	Management request to determine whether the			

Auditable Area	Risks	2016/2017	2017/2018	2018/2019
	hierarchy is promptly updated to reflect changes staffing, roles and responsibilities and/or authorisation levels			
Leavers Process	With the move to a Virtual Desktop Infrastructure (VDI), if staff leave and are not removed from the system, they may be able to continue to access Council systems, email etc. after they have left.	✓		

Auditable Area	Outline Scope	2016/2017	2017/2018	2018/2019	
Core assurance. Including areas where external audit will place reliance on our work					
Main Accounting & Budgetary Control	External audit want to be able to place reliance on testing undertaken by internal audit.	✓	✓	✓	
Cash & Banking		✓	✓	✓	
Accounts Payable		✓	✓	✓	
Accounts Receivable		✓	✓	✓	
Council Tax		✓	✓	✓	
National Non Domestic Rates		✓	✓	✓	
Housing Benefits		✓	✓	✓	
Treasury Management				✓	✓
Adult Social Care Expenditure		✓	✓	✓	
Adult Social Care Income		✓	✓	✓	
Payroll		✓	✓	✓	
Housing Rents		✓	✓	✓	
Asset Register				✓	
Other Internal Audit Activity					
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"> • Annual planning. • Preparation for, and attendance at, Standards & Audit Committee. • Regular liaison and progress updates. • Liaison with external audit and other 	✓	✓	✓	

Auditable Area	Outline Scope	2016/2017	2017/2018	2018/2019
	assurance providers. <ul style="list-style-type: none"> • Preparation of the annual opinion. • Attendance at Directorate Management Team, Leadership Group, Home Counties Chief Internal Auditors Group, London Audit Group and Essex Audit & Counter Fraud Group meetings. • Preparation of the Annual Governance Statement. 			

Appendix C: Internal Audit Plan 2016/2017

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing	Proposed Audit Committee
Internal Audit plan 2016/2017				
Corporate/Thematic Reviews				
Performance Management (Data Quality)	Sample testing of key performance indicators taken from the balanced scorecard, both national and local to verify accuracy of data.	Advisory	On-going	TBA
Contract Procedures	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.	Advisory	On-going	TBA
Safeguarding	To ensure there are robust checking processes in place when recruiting into roles involving interaction with vulnerable adults or children.	Assurance	Jun 16	TBA
No Recourse to Public Funds	Review of the process for assessing entitlement and allocating funds to persons who appear to be in need but have no access to the benefits system.	Assurance	Oct 16	TBA
Children's Services				
Cyclical School Visit Programme	Cyclical school visits programme to review financial management arrangements.	System	On-going	TBA
Cyclical visits to Nursery Schools	Cyclical nursery school visits programme to review financial management arrangements.	System	On-going	TBA
Looked After Children's Funds	To review the financial arrangements around the funds that the Children's Services pay out to looked after children to ensure there are robust controls and the money is safeguarded.	Assurance	July 16	TBA
Supervised Contact	To review the Council's arrangements around supervised contact due to increasing costs of employing high cost agency staff.	Assurance	Aug 16	TBA
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.	TBA
Adolescent Social Work Team	Following restructure, management requested a review to ensure the service is operating effectively and outputs are resulting in a reduction in teenagers coming into care.	Assurance	Jun 16	TBA
Early Offer of Help	Management request to look at the effectiveness, efficiency and economy of the multi-agency safeguarding hub (MASH).	Assurance	Sept 16	TBA
Procurement in Schools	Thematic review across a sample of schools to determine procurement arrangements and compliance with Council and School's regulations.	System	Apr/May 16	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing	Proposed Audit Committee
Education, Health & Care Plans (EHCP).	Management request to provide assurance that the Council has plans in place that meet the new legislation and are on target to have them all in place by 2018.	Assurance	Feb 17	TBA
Adults, Housing & Health				
Better Care Funding	Review to ensure there are robust arrangements around the financial management and reporting arrangements.	Assurance	Oct 16	TBA
Care Act	Management request to carry out a first year review to ensure changes in legislation have been actioned.	Assurance	Aug 16	TBA
Provider Services – Collection of Residential Care Home Income	Management concern that as the Council cannot back charge for resident contributions, invoices are raised promptly and charges are supported by an appropriate financial assessment.	Assurance	Jun16	TBA
Primary Care Contracts - Sexual Health	If there is not a robust governance process in place around management and reporting arrangements, clients may not get the level of sexual health care they need or are entitled to.	Assurance	Nov 16	TBA
Financial Top-ups	Payments made to clients outside of the care account have been properly assessed, authorised and are monitored.	Assurance	Oct 16	TBA
Housing Allocations	With the increased emphasis on the length of waiting lists for Council properties, it is vital to ensure that the Council's policy is fair and is being complied with.	Assurance	Apr/May 16	TBA
Gas Safety Inspections	To confirm regular inspections are being made in line with legislative and Council requirements.	Assurance	Apr/May 16	TBA
Electrical Safety Inspections	To confirm regular inspections are being made in line with legislative and Council requirements.	Assurance	Apr/May 16	TBA
Leaseholder Charges	Management request to provide assurance that charges are being correctly calculated, fairly applied and are in line with guidance.	Assurance	Jan 17	TBA
Housing Investment Programme	Review the governance and financial monitoring and reporting arrangements around the repairs and maintenance, planned maintenance and the Transforming Homes programmes.	Assurance	Jan 17	TBA
Finance & IT				
Insurance	There should be robust processes around the identification, claims handling and monitoring processes for the administration of the Council's insurance arrangements and the service should provide value for money.	Advisory	Oct 16	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing	Proposed Audit Committee
Risk Management	A maturity review to consider the approach to risk appetite and identifying controls and assurances on key risks.	Advisory	Apr/May 16	TBA
VAT	Non-compliance with relevant legislation could result in the Council breaching HMRC rules and result in fines and penalties.	Assurance	July 16	TBA
IT Audit work TBA following audit needs assessment.	In 2015/16, a framework agreement was entered into with the London Borough of Croydon for the provision of specialist IT auditors. An initial ANA is to be carried out in 2016/17 to identify a work programme for IT audit moving forward.	TBA	TBA once ANA completed	TBA
Environment & Place				
Community Safety	The Council complies with relevant legislation and discharges its responsibilities under section 17 of the Crime and Disorder Act relating to the duty to consider crime and disorder implications the Act.	Assurance	Sept 16	TBA
Gloriana Thurrock Ltd	At the request of the Standards & Audit Committee, a review to determine the robustness of the corporate governance, decision making and monitoring processes around the Council's newly formed, wholly owned housing company.	Assurance	On-going	TBA
Asset Management – Disposals & Acquisitions	Review a sample of acquisitions and disposals to ensure that procedures are being followed and there are appropriate governance and reporting arrangements in place.	Assurance	Oct 16	TBA
Highways and Environment Service	Follow up of the in-service review to determine implementation status of recommendations as requested by senior management.	Follow up	May 16	TBA
Purfleet Regeneration Project	Review of the governance, reporting structure and financing arrangements.	Assurance	Jun 16	TBA
Shop Premises	The management of shop premises leased by the Council are robust, there is an inspection process in place and occupiers the Council receives the correct rates.	System	Jul 16	TBA
Car Parking Service	Follow up of the in-service review to determine implementation status of recommendations as requested by senior management.	Follow up	May 16	TBA
Street Services	Following the restructure of the service, a review to ensure that there are appropriate policies and procedures, street cleaning performance indicators have been developed and are monitored and there are action plans in place to address issues.	Assurance	July 16	TBA
Library Visits	Cyclical library visits programme to review financial management arrangements.	System	On-going	

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing	Proposed Audit Committee
Legal				
Traded Services with LBBB and Brentwood Councils	Review to determine that the financing and recharging of the service is in line with the contractual arrangements.	Assurance	Sept 16	TBA
Register of Gifts, Interests & Hospitality	Annual review to confirm that Officers and members register interests, gifts and hospitality as required by Council procedures and codes of conduct.	System	Jun 16	TBA
Commercial Services & Commissioning				
Procurement – Spend under £75K	Analyse procurement spend under £75K to determine if the Council’s Constitution and relevant purchasing rules have been complied with including seeking value for money.	Compliance	Sept 16	TBA
Extensions to contracts of consultants	Senior management concerns raised around the practice of extending arrangements with consultants which could result in the Council being non-compliant with relevant legislation.	Assurance	Aug 16	TBA
HR, OD & Transformation				
Sickness Management	To ensure that the arrangements around sickness management, both long and short term, are robust and managers monitor and manage sickness in line with the policy.	Assurance	Oct 16	TBA
HR Leavers Process	A start to finish review of the leavers process within HR and IT to ensure that when staff leave, the correct areas are informed and appropriate actions taken to ensure they are not overpaid, cannot access systems etc.	Assurance	Sept 16	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing	Proposed Audit Committee
Core assurance				
Oracle – General Ledger	<ul style="list-style-type: none"> • Reconciliation • Journals • Access arrangements 	System	Oct 16	TBA
Cash and Banking	<ul style="list-style-type: none"> • Policies and Procedures • Banking arrangements • Cash Reconciliation • Authorisation process • Monthly bank reconciliations • Exceptions 	System	Nov 16	TBA
Accounts Payable	<ul style="list-style-type: none"> • Ordering & authorisation • Invoice matching • Separation of duties • Payment processing • BACS transfers • Reconciliation 	System	Jan 17	TBA
Accounts Receivable	<ul style="list-style-type: none"> • Processes and procedures • Reconciliation • Write-offs • Recovery • Analysis 	System	Jan 17	TBA
Council Tax	<ul style="list-style-type: none"> • Processes and procedures • Reconciliation 	System	End Mar 17	TBA
National Non Domestic Rates	<ul style="list-style-type: none"> • Processes and procedures • Reconciliation 	System	End Mar 17	TBA
Housing Benefits	<ul style="list-style-type: none"> • Processes and procedures • Processing of forms • Entitlement checks • Reconciliation • Year-end balancing 	System	Dec 16/Jan 17	TBA
Treasury Management	<ul style="list-style-type: none"> • Payment runs • Reconciliation 	System	Dec 16	TBA
Payroll	<ul style="list-style-type: none"> • Starters/Leavers • Authorisation • System access • Amendments • Exception reporting • Reconciliation • Suspense accounts 	System		TBA
Adult Social Care Expenditure	<ul style="list-style-type: none"> • Policies and Procedures • Ordering and Authorisation process • Monthly reconciliations • Exceptions 	System	Nov 16	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing	Proposed Audit Committee
Adult Social Care Income	<ul style="list-style-type: none"> • Policies and Procedures • Authorisation process • Write Offs • Recovery • Monthly reconciliations 	System	Nov 16	TBA
Housing Rents	<ul style="list-style-type: none"> • Tenant checks • System access controls • Reconciliation • Calculations of payments 	System	Sept 6	TBA

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing	Proposed Audit Committee
Other Internal Audit Activity				
National Fraud Initiative	There may be some minor involvement in the administration of this but now passed to the Counter Fraud & Investigation Directorate to lead.	N/A	As required	As used
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.	N/A	As required	As used
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	Follow up	Ongoing	Delivered as per Standards & Audit Committee work plans
Management	This will include: <ul style="list-style-type: none"> • Annual planning. • Preparation for, and attendance at, Standards & Audit Committee. • Regular liaison and progress updates. • Liaison with external audit and other assurance providers. • Preparation of the Head of Internal Audit's Annual Report. • Attendance at Directorate Management Team, Leadership Group, Home Counties Chief Internal Auditors Group, London Audit Group and Essex Audit & Counter Fraud Group meetings. • Preparation of the Annual Governance Statement 	N/A	Ongoing	As used