

## **Standards & Audit Committee**

### **Draft Internal Audit Strategy 2017/18 to 2019/20 and Annual Plan 2019/20**

Date: 14<sup>th</sup> March 2019

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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 2017/18 – 2019/20 and the annual plan for 2019/20.

## 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.

Following extensive meetings held with senior management across all services last year, we have rolled forward the agreed plan for 2019/20. As this is the 3<sup>rd</sup> and final year of the current strategy, during 2019/20 we will undertake 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.

The plan has been presented to and discussed at Directors Board.

The plan for 2019/20 is fluid and is constantly being reviewed to ensure any changes to policy, process, legislation or priorities are reflected in the current annual 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 Director of Finance & IT. 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 2019/20 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 2019/20.

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- 2 The continued emphasis on achieving savings including shared service or joint working arrangements with other local authorities, income generation and more effective and efficient working practices are reflected in a number of areas within the plan.

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- 3 New and changing legislation, particularly around Children's Services, Adult Social Care, Environment and Housing have resulted in an increased programme of reviews in these service areas.

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The strategy is set out at Appendix B, with the detailed internal audit plan for 2019/20 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 Chief Internal Auditor and/or Director of Finance & IT 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 have changed from E&Y to BDO. We intend to meet 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 2017/18 to 2019/20 (Appendix B) cover the organisation's key risks as they are recognised by the Standards & Audit Committee?
- Does the Internal Audit Plan for 2019/20 (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		✓
Devolution Agenda	✓	
Economic downturn and austerity	✓	
Welfare reform	✓	
Business Rates Retention		✓
Public Health	✓	
Regeneration	✓	
House building and financing schemes	✓	
Homelessness	✓	
Immigration & Asylum		✓
Cyber Security	✓	
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	✓	
Income generation		✓
Personal Budgets/Direct Payments	✓	
Local Pay T&C's for staff		✓
Financial Management & Controls	✓	
Financial Reporting	✓	
Transformation Programme	✓	

## Appendix B: Internal Audit Strategy 2017/18 – 2019/20

Auditable Area	Risks	2017/18	2018/19	2019/20
<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.	✓	✓	✓
Budgetary Control	Budgets may not be controlled and monitored leading to service overspends.	✓		
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.	✓	✓	✓
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.			✓

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Auditable Area	Risks	2017/18	2018/19	2019/20
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.		✓	
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.			✓
No Recourse to Public Funds (NRPF)	Failure to correctly assess, manage and monitor funds paid to families with NRPF could result in payments being made to persons who do not qualify.			✓
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.		✓	
Catering Provision in Schools	If the service does not offer value for money, its trading operations may be adversely affected with more schools becoming academies.		✓	
Supervised Contact	Costs associated with supervised contact provided by the Oaktree Resource Centre may not be providing value for money if they are not monitored and managed.	✓		
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 and the introduction of the Social Impact Bond, the outcomes for teenagers may not be monitored resulting in increased costs and more teenagers coming into care.	✓		
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.		✓	
Education, Health & Care Plans	The Council may not have plans that support children with special educational needs so might not be compliant with the new legislation by the target date of 2018.	✓		
<b>Adults, Housing &amp; Health</b>				
Better Care Funding – CR2	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.		✓	



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Auditable Area	Risks	2017/18	2018/19	2019/20
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.	✓		
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 getting more/less support than they need.	✓		
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.			✓
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 persons not entitled to them.			✓
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.			✓
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.			✓
Void Properties	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.			✓
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.	✓		
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.	✓		
Transforming Homes	Contracts around Transforming Homes may not be managed resulting in residents not having quality housing available to them and costs escalating.		✓	

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Auditable Area	Risks	2017/18	2018/19	2019/20
Procurement & Provision of temporary accommodation	The arrangements to procure and provide temporary accommodation may not be robust and value for money might not be achieved.	✓		
Right to Buy	If correct procedures are not followed, incorrect discounts may be applied resulting in loss of income to the Council.		✓	
<b>Core assurance</b>				
Adult Social Care Expenditure	To provide assurance to external audit around key financial systems.	✓	✓	
Adult Social Care Income		✓	✓	
Housing Rents		✓	✓	✓
<b>Finance &amp; IT</b>				
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.	✓		
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.			✓
Cyber Security	The Council may not have an appropriate management control framework around its corporate information assets increasing the threat of service disruption through cyber security attacks.	✓	✓	
Work to be agreed as part of Audit Needs Assessment process.	Suggested areas include SekChek's automated analysis quickly determines how a client's security controls compare against similar deployments using current, real world data, Physical and Environmental audit (Data centre) and Disaster Recovery	✓	✓	✓
<b>Core assurance</b>				
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			✓	

Auditable Area	Risks	2017/18	2018/19	2019/20
<b>Commercial Services</b>				
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.	✓		
Stationery Contract	Identified that between April 16 and Dec 16, approx. £14k spent with a stationery supplier who is not on the Council's list of stationery suppliers. Keep a watching brief to determine if spend continues to increase.	✓		
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.			✓
Public Contract Regulations 2015	If there are not robust processes in place to evidence and support decisions to award contracts, the Council may not be compliant with relevant national and local procurement regulations.			✓
<b>Environment &amp; Highways</b>				
Bridge Maintenance	Ineffective Bridge Maintenance may result in expensive unplanned 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.		✓	
Footway Crossings	There may not be robust arrangements around the application process, commissioning of contractors and inspection processes resulting in poor quality work, additional cost or work being undertaken without formal approval.			✓
Car Parking Service	Review of the processes for charging, collecting fines and writing off fines for on and off street parking.		✓	
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.	✓		
Home to School Transport	Failure to adhere to the policies and procedures could result in non-statutory services being provided and see costs escalating above the statutory minimum.			✓
Waste Disposal & Recycling Contracts	The process for awarding waste and recycling contracts may not be robust and in line with relevant procurement legislation and rules resulting in non-compliance and not achieving value for money.	✓		
Street Services	The street cleaning service may not be improving leading to dissatisfaction among residents and damage to the Council's reputation.		✓	

Auditable Area	Risks	2017/18	2018/19	2019/20
<b>Place</b>				
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.	✓		
Thurrock Regeneration Ltd	Poor corporate governance, decision making and monitoring arrangements may result in Thurrock Regeneration Ltd, the Council's wholly owned housing company, not meeting their targets for new housing.			✓
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.		✓	
Asset Management – Disposals & Acquisitions	Disposals and acquisitions may not be effectively managed resulting in loss of opportunities, funding and reputation.			✓
Trading Standards	Non-compliance with statutory requirements in respect of Trading Standards might result in dissatisfaction amongst local residents.			✓
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.	✓		
Building Control	The Building Control Service may not maintain a competitive place in the market and might not provide value for money.	✓		
Shop Premises	Arrangements' around the management of shop premises may not be robust leading to loss of income to the Council.	✓		
Thurrock Registrar's Office	The Council may not comply with legislation resulting in increased external scrutiny by the Cabinet Office.	✓		
<b>Legal</b>				
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.			✓
<b>Strategy, Communication and Customer Services</b>				
Performance Management (Data Quality)	Performance Management may not be embedded in the organisation resulting in poor performance, poor quality information and poor decision making.	✓	✓	✓
<b>Core assurance</b>				
Cash & Banking	To provide assurance to external audit around key financial systems.	✓		✓

Auditable Area	Risks	2017/18	2018/19	2019/20
<b>HR, OD &amp; Transformation</b>				
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	The hierarchy may not be promptly updated to reflect changes staffing, roles and responsibilities and/or authorisation levels resulting in inefficient use of resources.	✓		
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.		✓	
Business User Allowance (BUA) and Business Travel	If processes are not robust, staff may be receiving BUA who are not entitled to it.	✓		
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.			✓
Overtime and Additional Hours	If processes are not robust, staff may receive payments which they are not entitled to.		✓	
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.	✓		
Disclosure & Barring Service (DBS) checks	Management Request. 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.			✓
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.	✓		✓
Geographic Information System (GIS)	If the Council does not have an up to date Local Land & Property Gazetteer and Local Street Gazetteer it may not be meeting its statutory responsibilities.	✓		
<b>Core assurance</b>				
Payroll	To provide assurance to external audit around key financial systems.	✓	✓	✓

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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: Internal Audit Plan 2019/20

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
<b>Internal Audit plan 2019/20</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. Proposed review is the Corporate Cleaning Contract.	Compliance	September 19
Corporate Health & Safety	To ensure the council is meeting its obligations in ensuring it meets legislative requirements in respect of its employees, contractors and customers.	Compliance	August 19
Business Continuity	Review controls to ensure that procedures allow the recovery from a partial or total loss of business services in a controlled manner.	Assurance	May 19
BREXIT	The potential impacts are not clear at this stage but the council needs to ensure it is able to react to risks as they are identified.	Assurance	On-going
<b>Children's Services</b>			
Fostering	To review the controls around the assessment, appointment and payment of foster carers.	System	July 19
School Visit Programme	Cyclical school visits programme to review financial management arrangements.	System	On-going
Nursery School Visits	Cyclical nursery school visits programme to review financial management arrangements.	System	September 19
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	October 19
No Recourse to Public Funds (NRPF)	A 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	June 19
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 robust and protect the vulnerable adults who reside there and the staff who work there.	System	November 19

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Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Financial Top Ups	A review to ensure only those clients entitled to payments are receiving them and they are being used appropriately.	Compliance	June 19
Housing Allocations	To determine that local people have access to accommodation that is responsive to their needs and it is allocated in a fair, consistent and transparent way.	System	December 19
Gas Safety Inspections	To ensure regular inspections are being made in line with legislative and Council requirements.	Compliance	October 19
Electrical Safety Inspections	To ensure regular inspections are being made in line with legislative and Council requirements.	Compliance	October 19
Void properties	To review the policies and procedures surrounding the voids process.	Assurance	January 20
Homelessness	To review the arrangements of the council in meeting its statutory obligations under homelessness legislation.	Compliance	December 19
<b>Finance &amp; IT</b>			
Core Protection & Appointee Team	To review the processes within the team to ensure clients monies are being managed properly where the council acts on their behalf under the Mental Capacity Act.	Assurance	June 19
IT Audit work TBA following audit needs assessment.	Work to be agreed between IT, Internal Audit and contractor on an as and when basis using the Croydon Framework Agreement.	TBA	TBA
<b>Commercial Services</b>			
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	October 19
Public Contract Regulations 2015	An audit of the Council's Procurement Regulations to ensure they include the necessary changes to meet the regulations.	Assurance	January 20
<b>Environment &amp; Highways</b>			
Bridge Maintenance	There is an adequate inspection and maintenance regime in place which ensures the safety, integrity and adequacy of structures within the highway for use by the public.	Assurance	October 19
Footway Crossings	To review the application, commissioning and inspection processes to ensure the customer and the council get value for money.	System	November 19



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Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
Home to School Transport	High cost area so management requested a review to look at the arrangements around provision and compliance with statutory responsibilities.	Assurance	December 19
<b>Place</b>			
Thurrock Regeneration Ltd	A review to determine the robustness of the corporate governance, decision making and monitoring processes around the Council's wholly owned housing company.	Assurance	TBA
Asset Management – Disposals & Acquisitions Follow up	In line with the Internal Audit Protocol, a follow up review of the Red report issued in 2016/17.	Follow up	June 19
Trading Standards	To review the inspection and monitoring processes to ensure the council is compliant with meeting its pollution targets.	Compliance	July 19
Purfleet Regeneration Project	To review the project management and governance arrangements to ensure the project is meeting its objectives and will be completed in line with agreed timeframes.	Assurance	January 20
<b>Legal</b>			
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.	Compliance	September 19
Members Allowances	To review that the payment of Members' Allowance is as per Thurrock Council Members' Allowances Scheme.	Assurance	April 19
<b>Strategy, Communication &amp; Customer Services</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.	Advisory	On-going
<b>HR, OD &amp; Transformation</b>			
Sickness Management	Follow up to determine progress against recommendations from the 2018/19 review.	Follow up	October 19
Mileage Claims	To review the processes for submitting, checking and approving mileage claims to ensure they comply with policy.	Compliance	May 19
Disclosure & Barring Service (DBS) checks	Management request to review arrangements for identifying renewals before they expire. Request includes taxi drivers and foster carers.	Assurance	July 19
General Data Protection Regulations (GDPR)	With the introduction of GDPR from May 2018, the council should have moved from the readiness phase to compliance.	Compliance	February 20

Auditable Area	Internal Audit Coverage	Audit Approach	Proposed Timing
<b>Core financial reviews to provide assurance to External Audit</b>			
Oracle – General Ledger	<ul style="list-style-type: none"> <li>• Reconciliation</li> <li>• Journals</li> <li>• Access arrangements</li> </ul>	System	August 19
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	November 19
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	November 19
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	May 19
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	May 19
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 19
Treasury Management	<ul style="list-style-type: none"> <li>• Payment runs</li> <li>• Reconciliation</li> </ul>	System	August 19
Cash and Banking	<ul style="list-style-type: none"> <li>• Policies and Procedures</li> <li>• Banking arrangements</li> <li>• Cash Reconciliation</li> <li>• Authorisation process</li> <li>• Monthly bank reconciliations</li> <li>• Exceptions</li> </ul>	System	August 19
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	January 20
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	September 19

Auditable Area	Rationale for Internal Audit Coverage	Audit Approach	Proposed Timing
<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	As required
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	Follow up	Ongoing
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	Ongoing