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## AUDIT PROGRESS REPORT 2020/21

### 1 PURPOSE OF REPORT

- 1.1 This report provides Members with an update on the work of the Internal Audit team, in terms of progress made against the annual audit plan and action taken by service departments in implementing audit recommendations.
- 1.2 Details of the progress made in delivery of the annual audit plan is provided in Appendix 1.

### 2 INTRODUCTION

- 2.1 Internal Audit is a statutory requirement under the Accounts and Audit Regulations. Internal Audit's work is monitored through regular reports presented to this Committee.

### 3 RISK IMPLICATIONS

- 3.1 Failure to operate a robust assurance process (which includes delivering the Internal Audit Annual Plan) increases the risk that inadequacies in the Council's risk management, governance and control arrangements are not identified and effective remedial action agreed and implemented.
- 3.2 If the Internal Audit Plan is not substantially completed by June 2021, the Chief Audit Executive (CAE) may not be able to give a sufficiently informed opinion on the Council's control environment. The CAE's opinion is a source of assurance for the Annual Governance Statement (AGS), which is also considered by the Audit Committee and is of interest to the external auditors for their assessment of the Council's arrangements to economically, efficiently and effectively use its resources. The lack of CAE opinion could negatively impact on the AGS and Value for Money assessment.
- 3.3 The main risk to delivering the audit plan is the risk of insufficient resources; this is considered below

### 4 RESOURCE IMPLICATIONS

- 4.1 Excluding the CAE (provided by Basildon Borough Council) the audit resource at the commencement of 2020/21 was 2 Full Time Equivalent (FTE) staff. From June 2020 onwards this was reduced to 1 FTE as a member of the team commenced maternity leave.
- 4.2 The Annual Audit Plan for 2020/21 takes into account the reduced FTE and the possibility of potential resource being made available from Basildon Borough Council in the latter part of the financial year.

**5 LEGAL IMPLICATIONS**

- 5.1 Under the Local Government Act 1972 (s151) and the Accounts and Audit Regulations, the Council has a responsibility to maintain an adequate and effective Internal Audit function.
- 5.2 The Internal Audit Section works to the statutory Public Sector Internal Audit Standards. This includes the requirement to prepare and present regular reports to the Audit Committee on the performance of the Internal Audit service.

**6 EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups, as defined under the Equality Act 2010.

**7 RECOMMENDATION**

- 7.1 It is proposed that the Committee **RESOLVES**
- (1) That the update on delivering the 2020/21 Audit Plan be noted.
  - (2) That the conclusions and results from completed audit engagements in Appendices 1 and 2 be noted.
  - (3) That the updated status of audit recommendations in Appendix 4 be noted.



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**Background Papers: -**

None. For further information please contact Jim Kevany on: -

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If you would like this report in large print, Braille or another language please contact 01702 318111.

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**1 DELIVERY OF THE ANNUAL AUDIT PLAN**

- 1.1 A table detailing the audit engagements completed to date is provided for at **Appendix 1**.
- 1.2 Since the last progress report in July 2020 a further two audit engagements from the 2020/21 Annual Audit Plan have been completed. One was rated as “Adequate” and one had no assessment awarded as it forms part of an audit to be completed by the external auditors. These assessments include light touch engagements where specific elements of operations are reviewed and do not reflect the operation as a whole. Work in progress includes Homeless Prevention, Covid-19 Grant Management and Business Continuity / Emergency Planning.
- 1.3 The opinion given and main points arising from the completed audit engagements is summarised at **Appendix 2** or in respect of light touch reviews at **Appendix 3**. An explanation of the meaning of and reason for each assessment (opinion) is provided in **Appendix 5**. This appendix should be read in conjunction with **Appendix 6** setting out the recommendation categories.

**CHANGES TO THE PLAN**

- 1.4 Attached at **Appendix B** is a copy of the revised Audit Plan for Members’ information. Back in July the Chief Audit Executive (CAE) expressed the view that the Plan would need revision during the year as the risk environment unfolded and as a result of Internal Audit resources being redirected to support projects, critical activities or initiatives as part of the organisation’s response to COVID-19.
- 1.5 Carrying out audit engagements remotely has also imposed new ways of working and thinking, from obtaining evidence through to engaging with officers. This has served to limit what and how much we can do and as a result we need to consider to what extent this will affect our audit opinion. Going forward it’s about tweaking existing skills, so we remain just as effective working remotely.
- 1.6 The CAE can confirm that sufficient work is being undertaken as part of the revised plan and, as such, this will not affect the ability to provide the annual opinion.
- 1.7 The following audits have been deferred to 2021/22
- Business Resilience
  - Staff Performance Management
  - Vehicle Fleet Management
  - Key Financial – Housing Benefits

- Planning Services Performance

## **2 COUNTER FRAUD ACTIVITY**

- 2.1 The Revenues & Benefits service has been heavily involved, in 2020/21, in processing business grants and dealing with an increased LCTS workload as a result of the Covid-19 response.
- 2.2 As at the end of September 2020 the value of Council Tax identified as recoverable as a result of Revenues & Benefits compliance work, from all sources including LCTS, was £77.1k, significantly from identifying unbilled properties and withdrawal of discounts or exemptions that no longer apply.
- 2.3 Housing Benefit fraud continues to be investigated by the Department for Work & Pensions, but the Revenues & Benefits Team continues to identify and collect overpayments of Housing Benefit. Amounts identified for recovery by compliance work in respect of Housing Benefits was £13.6k as at the end of September 2020
- 2.4 Data was submitted in October as part of the National Fraud Initiative biennial exercise across a wide body of public organisations. Data matches produced by this exercise will be available to process in February 2021

## **3 MONITORING OF INTERNAL AUDIT RECOMMENDATIONS**

- 3.1 Recommendations arising from completed audit engagements are shown in **Appendix 6**. This includes the current status of all recommendations that were live as at the date of the prior Audit Committee in July 2020 and recommendations raised since that date. There are 13 live recommendations of which 4 have had revised dates since the last Audit Committee meeting for various reasons. Please note that Covid restrictions have continued in place since the last Audit Committee date, which has impacted on implementation in some cases.
- 3.2 Two new recommendations have been raised since the last Audit Committee.

**COMPLETED AUDIT ENGAGEMENTS SUMMARY - APPENDIX 1**

AUDIT ENGAGEMENT	CORE ELEMENT OF PLAN	ASSURANCE RATING	REPORTED TO AUDIT COMMITTEE	RECOMMENDATION CATEGORY			
				C	S	M	L
Parameter Input, Billing and User Permissions for Academy Report 1 2020/21	Failure to ensure good governance of the Council's activities and delivery of priority outcomes	Good	28/7/2020	-	-	-	-
Safeguarding Report 2 2020/21	There is a failure of safeguarding arrangements	Good	28/7/2020	-	-	-	-
User Permissions for Dimensions Report 3 2020/21	Failure to ensure good governance of the Council's activities and delivery of priority outcomes	Good	28/7/2020	-	-	-	-
Procurement – Raising Orders Report 4 2020/21	Failure to provide consistent value for money (VFM) across all services or obtain VFM in its procurement	Limited	28/7/2020	-	-	-	-
Housing Benefit Subsidy 2019/20 Initial Testing Report 5 2020/21	Failure to ensure good governance of the Council's activities and delivery of priority outcomes	No Opinion Given	10/11/2020	-	-	-	-
Elections Financial Administration Report 6 2020/21	Failure to ensure good governance of the Council's activities and delivery of priority outcomes	Adequate	10/11/2020	-	-	2	-

<b>OTHER WORK UNDERTAKEN</b>		
<b>AUDIT AREA</b>	<b>NATURE OF WORK</b>	<b>REPORTED TO AUDIT COMMITTEE</b>
Local Code of Corporate Governance	Taking lead in reviewing and updating the Council's Local Code of Corporate Governance for approval by the Leadership Team.	10/11/2020

**COMPLETED AUDIT ENGAGEMENTS**

**ELECTIONS FINANCIAL ADMINISTRATION  
REPORT 6 – 2020/21**

**Audit objective**

To assess whether there are effective controls in place to manage income and expenditure related to the operation of organising and conducting elections for which the Council has administrative responsibility

**Corporate links**

This audit contributes to the assurance available in regard to the following Business Plan objectives and risks identified on the corporate risk register:

**Business Plan objective** Being Financially Sustainable

**Corporate risk** Failure to ensure good governance of the Council’s activities and delivery of priority outcomes

**Reason for inclusion in the annual audit plan**

This audit is a planned, standard assurance review identified through the annual assessment of all Council’s activities.

**Audit opinion**

Our opinion is expressed on the scale of assurance as set out below:



<b>Good</b>	<b>Adequate</b>	<b>Limited</b>	<b>None</b>
	✓		

We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:

Risk area	Assurance Level	No. of Recommendations
Income received for the administration of elections is used for a different purpose	<b>Adequate</b>	None
Expenditure passing through the Elections’ bank account is used for purposes other than elections	<b>Adequate</b>	2 Moderate
There is no effective reconciliation of the Elections’ bank account to account for income and expenditure	<b>Adequate</b>	None
There is ineffective control over who can access the bank account and authorisation of payment	<b>Good</b>	None

### Executive Summary

The process for financially administering an election is well established. For elections other than District or Town/Parish, funding is made by County or by Central Government, depending on the election type, for which a detailed claim detailing expenditure is required. This review is based upon the EU election for 2019, for which the claim is still live. The principle for setting up and paying for an election is the same for all elections, ballot papers, polling stations and staffing for the various functions.

A lump sum of 75% of estimated costs is provided at the outset and paid into the Councils bank account before the election. The Council must pay the rest of the costs and can claim back the balance by submitting a detailed claim form. This is subject to detailed scrutiny from the Election Claims Unit.

The EU election claim 2019 was reviewed for a sample of expenditure and accommodation costs and a full review of the related payroll costs. There were no significant issues arising from the claim form.

The Council currently passes expenditure for all election types through a single finance code. Items in the claim, such as apportioned IT licence costs and internal room hire, although in the claim, whilst accurate, were not accounted for through the finance code.. A recommendation has been made to ensure that all expenditure passes through the finance code.

During 2019 there were three different elections, Local, European, and Parliamentary. Monitoring expenditure through a single code is difficult if payments are made late or incorrectly allocated to a wrong election or require apportioning across more than one type of election. A recommendation has been made to simplify the position by creating a separate finance code for each election.



**COMPLETED LIGHT TOUCH AUDIT ENGAGEMENTS****HOUSING BENEFITS SUBSIDY AUDIT – REPORT 5 (2020/21)**

As part of the 2020/21 Annual Audit Plan, work was carried out on behalf of the BDO, the External Auditor for the Housing Benefits Subsidy Claim, to review a sample of benefit cases from the 2019/20 Housing Benefits work. This report is to advise Members of the position after the completion of the initial stage of testing.

This involved testing the accuracy, across the year 2019/20, of 20 rent allowance cases (standard housing benefits), 20 cases relating to temporary accommodation of all types and one modified scheme, where income related to war pensions is disregarded for the purpose of benefit assessment.

This work is carried out under Department for Work and Pensions (DWP) regulations and all errors, regardless of value, are required to be reported.

For purpose of context the subsidy claimed for 2019/20 is in the region of £13.2m. During the year there were 112 new rent allowance, and 94 new temporary accommodation claims with 16,180 changes in circumstances processed during the year. There was an average active caseload of 2,490 Rent Allowance and 95 Temporary Accommodation.

One error was identified in Rent Allowances. A rent change was processed late and had been classified as claimant error. This should have been classified as administrative delay, as the claimant had in fact advised the change before the due date. The value of this error was £2.24.

Three errors were identified in two cases in the temporary accommodation category:

In one case the rent was input incorrectly and appears to be no more than a typographic error. This resulted in an overpayment in the period under review of £68.57. In such cases the Council's Homelessness Team acts as the landlord so the claimant was not personally disadvantaged.

There were two errors in another case, that involved three different properties during 2019/20. Both errors related to classifications of payments and did not impact on the actual benefit payable, which was correct.

- In the first property, the system did not split the part-week payment between the maximum that can be claimed under subsidy rules and the level above this which cannot be recovered. This resulted in a potential overclaim of £8.63.
- The amount that can be claimed under the subsidy maximum for self-contained licensed properties is based on the number of bedrooms in that property. Testing identified that a two-bedroom property had been processed as one-bedroom, which resulted in the maximum that could be claimed being understated by £405.08.

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There were no matters arising from the modified scheme at the point of testing

In the comparable testing for the Subsidy for 2018/19 there were

- 2 errors from 2 rent allowance cases from a sample of 20
- 6 errors from 4 temporary accommodation cases from a sample of 19

The result of this testing, together with additional testing carried out by the Benefits Team based on specific issues from prior years, will be passed to BDO who will consider the results and carry out further testing as required by the DWP to enable them to determine the extent and impact of the errors within the whole claim. This will inform their opinion of the Housing Benefit Subsidy Claim in their report to the DWP. A copy of the BDO report will be presented to this Committee later in this financial year.

**PROGRESS OF AUDIT RECOMMENDATIONS**

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
17 2017/18	Procurement	3a	M	Contract Procedure Rules and Procurement Guidance will be updated (a)	Agreed Implementation Date 31/3/19 CPR review ongoing. Revised end date 31/12/19. Work in progress with many elements progressed but unable to complete, partially in respect of EU arrangements. Revised end date 31/03/20 Revised end date to bring in line with Constitution review and Financial Regulations review. 31/3/21
2 2018/19	Street Cleaning Contract	1	M	For consistency and future planning, the work of the Street Scene Officers involved in monitoring the contract will be documented in a set of operational procedures.	Agreed Implementation date 1/4/19 Outcomes are being negotiated with Contractor. Revised end date 30/06/19. Monitoring sheets are being implemented. Written procedures still to be developed. Revised implementation 31/10/19. Procedures still to be developed. Revised end date 31/12/19.  <b>Current Position</b> Internal Audit have been advised, by Assistant Director – Place & Environment, that due to resource issues it has not been possible to dedicate time to complete this recommendation. It is acknowledged that such operating procedures are required, and this recommendation will be kept open, subject to ongoing review. This, in

## AUDIT COMMITTEE – 10 November 2020

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
					longer term, this will be addressed within the structure of any new contract.
6 2018/19	Insurance Arrangements	1	M	<p>A project team will be established to consider an approach to produce, ideally, to produce a single asset register and to work on a solution.</p> <p>Matter raised during the audit will be reviewed and reflected in the 2018/19 balance sheet</p>	<p>Original End Date 31/12/19</p> <p>An internal project team has met to work on a solution and has obtained a master list of assets from the Land Registry which is currently being worked through. Some additional resource may be required to fully complete the detailed reconciliations. A project plan will be drawn up and reported in line with PMO processes, with the intention that a solution is fully implemented by end of 2020.</p> <p>Revised end date 31/12/2020</p>
11 2018/19	Budget Setting and Monitoring	2	M	RDC Financial Regulations will be reviewed to include appropriate controls of transfers to and from Reserves as stated in the Medium-Term Financial Strategy. To be considered as part of overall review of Financial Regs during 2019/20.	<p>Agreed implementation date 31/03/20</p> <p>Financial regulations to be reviewed as part of overall constitution.</p> <p>Revised end date 31/03/21.</p>

## AUDIT COMMITTEE – 10 November 2020

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
14 2018/19	Contracts Procurement and Purchasing	2	M	Finance resilience checks will form part of the competitive process for fully tendered purchases for high value, high risk contracts, in order for the Council to be aware of the financial health of a supplier before entering into business with them. Contract Procedure Rules will be amended to include this detail.	Agreed implementation date 31/12/19  Revised end date to bring in line with other CPR recommendations 31/3/20  Revised end date to bring in line with Constitution review and Financial Regulations review. 31/3/21
14 2018/19	Contracts Procurement and Purchasing	3	L	CPR will be amended to include safeguarding requirements and whether copies of contractor's policy statements should be included in all appropriate contracts.	Agreed implementation date 31/12/19. Unable to progress CPR until EU arrangements are known. Revised end date 31/03/20  Revised end date to bring in line with Constitution review and Financial Regulations review. 31/3/21
15 2019/20	Environmental Health	1	L	Air Quality pages on the Council website should be reviewed and updated where required, including the Air Quality Management Area (AQMA) and Air Quality Reporting Cycle Pages.	Agreed implementation date 30/06/20. Service has been heavily involved in Covid enforcement as a priority. Revised date 31/8/20 Implemented <span style="float: right;">DELETE</span>

## AUDIT COMMITTEE – 10 November 2020

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
15 2019/20	Environmental Health	4	M	The identification of capacity / resilience / non-performance of critical tasks as a specific risk should be included within the Environmental Health Service Area Risk Register to focus management attention and enable effective monitoring.	Agreed implementation date 31/07/20. This was agreed early in period of Covid lockdown.  Have been in liaison with service to clarify matters relating to requirements of recommendation. Revised end date 30/11/20
17 2019/20	Grounds Maintenance Contract	2	M	The Supervising Officer will seek to obtain a clause to enable assignment of leasehold agreements to the Council, in the event of the contractor ceasing trading, in line with the wording in the Grounds Maintenance Contract.	Agreed End Date 31/8/20. Advised as no longer required as hire arrangements have reached end of contract life for most items. Not Implemented <span style="float: right;">DELETE</span>
21 2019/20	Asset Management	2	M	A list of chemicals used, and their locations will be held by the asset team to be made available in case of need by the emergency services	Agreed end date 1/6/20. Dates were agreed just at start of Covid lockdown. Revised to 31/8/20. Partially completed. Agreed revised end date 30/11/20.
21 2019/20	Asset Management	3	M	The position relating to responsibility for the depot used by the grounds' maintenance contractor will be clarified. If the Council is responsible, then all of the necessary surveys and checks and be included in the workplace inspection programme and contracts going forward.	Agreed end date 1/6/20. Dates were agreed just at start of Covid lockdown. Agreed revised end date 31/8/20  Implemented <span style="float: right;">DELETE</span>

## AUDIT COMMITTEE – 10 November 2020

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
21 2019/20	Asset Management	4	M	The guidance of the Health & Safety Officer will be sought to determine an effective policy to review fire risk assessments and asbestos inspections going forward	Agreed end date 1/7/20. Dates were agreed just at start of Covid lockdown. End date revised to 31/8/20. Not yet proceeded. Agreed revised end date 30/11/20
21 2019/20	Asset Management	5	L	A detailed review of the Asset Management Service Risk Register will be undertaken to reflect operational circumstances of the Team	Agreed end date 31/7/20. Not progressed. Revised implementation date 30/11/20
24 2019/20	ICT Security	2	S	The Council will commission a penetration test of the ICT environment as soon as practicable after completion of the migration of all operational systems to a cloud or managed service to determine its integrity	Agreed end date 23/5/20 <i>(To discuss position with ICT Contractor re commissioning Pen Test). This element has been completed and a test will be carried out.</i>  This test will be done after completion of the internal infrastructure work. This work is progressing with further issues being identified along the way. It is anticipated that this aspect will be completed by the end of November.  Scoping and costs for testing are already under way and it is anticipated that actual testing will take place in 2021. This recommendation will be kept under review for progress and an update will be provided at next session of the Audit Committee

## AUDIT COMMITTEE – 10 November 2020

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
6 2020/21	Elections Financial Administration	1	M	A separate finance code, or extended project codes, will be used for each type of election to facilitate completion of each relevant claim and facilitate clarity	Agreed end date 31/1/2021
6 2020/21	Elections Financial Administration	2	M	All expenditure contained in relevant election claims will be reflected in the relevant election finance code and relevant double entry code.	Agreed end date 31/1/2021



BASIS FOR AUDIT OPINION		
Assurance level	Internal Audit's opinion is based on <u>one or more of the following conclusions applying:</u> -	Basis for choosing assurance level
<b>Good</b>	<ul style="list-style-type: none"> <li>The activity's key controls are comprehensive, well designed and applied consistently and effectively manage the significant risks.</li> <li>Management can demonstrate they understand their significant risks and they are proactively managed to an acceptable level.</li> <li>Past performance information shows required outcomes are clearly defined and consistently met.</li> </ul>	<p>Recommendations are 'low' rating. Any 'moderate' recommendations will need to be mitigated by consistently strong controls in other areas of the activity.</p>
<b>Adequate</b>	<ul style="list-style-type: none"> <li>Most of the activity's key controls are in place, well designed and applied consistently and effectively manage the significant risks.</li> <li>Management can demonstrate they understand their significant risks and they are generally and proactively managed to an acceptable level.</li> <li>Past performance information shows required outcomes are clearly defined and generally met.</li> </ul>	<p>Recommendations are 'moderate' or "Low" rating. Any 'significant' rated recommendations will need to be mitigated by consistently strong controls in other areas of the activity. A 'critical' rated recommendation will prevent this level of assurance.</p>
<b>Limited</b>	<ul style="list-style-type: none"> <li>The activity's key controls are absent or not well designed or inconsistently applied meaning significant risks.</li> <li>Management cannot demonstrate they understand and manage their significant risks to acceptable levels.</li> <li>Past performance information shows required outcomes are not clearly defined and or consistently not met.</li> </ul>	<p>Recommendations are 'significant' or a large number of 'moderate' recommendations. Any 'critical' recommendations need to be mitigated by consistently strong controls in other areas of the activity.</p>
<b>None</b>	<ul style="list-style-type: none"> <li>The activity's key controls are absent or not well designed or inconsistently applied in all key areas.</li> <li>Management cannot demonstrate they have identified or manage their significant risks</li> <li>Required outcomes are not clearly defined and or consistently not met.</li> </ul>	<p>Recommendations are 'critical' without any mitigating strong controls in other areas of the activity.</p>

RECOMMENDATION CATEGORIES		
<b>C</b>	<b>CRITICAL</b>	<p>The identified control weakness could lead to a <b>critical impact</b> on the activity’s ability to manage the risks to achieving its key objectives. The control weakness means the associated risk <b>highly likely</b> to occur or have occurred.</p> <p>There are <b>no compensating controls</b> to possibly mitigate the level of risk.</p>
<b>S</b>	<b>SIGNIFICANT</b>	<p>The identified control weakness could have a <b>significant impact</b> on the activity’s ability to manage the risks to achieve its key objectives. The control weakness means the associated risk is <b>likely to occur</b> or have occurred.</p> <p>There are <b>few effective compensating controls</b>. Where there are compensating controls, these are more likely to be detective (after the event) controls which may be insufficient to manage the impact. The difference between ‘critical’ and ‘significant’ is a lower impact and or lower probability of occurrence and or that there are some compensating controls in place.</p>
<b>M</b>	<b>MODERATE</b>	<p>The identified control weakness could have a <b>moderate impact</b> on the activity’s ability to manage the risk to achieving its key objectives. The control weakness <b>does not undermine the activity’s overall ability</b> to manage the associated risk (as there may be compensating controls) but could reduce the quality or effectiveness of some processes and or outcomes.</p>
<b>L</b>	<b>LOW</b>	<p>The identified control weakness is <b>not significant</b>, and recommendations are made in general to improve current arrangements.</p> <p>Note – these recommendations will not be followed up.</p>

**AUDIT PLAN – PROPOSED REVISION**

<b>Proposed Audit</b>	<b>Original Outline Scope</b>	<b>Corporate Risk</b>	<b>Business Plan Priority</b>	<b>Importance re Business Plan</b>	<b>Comments</b>
Business Resilience	To assess risk associated with reliance on key individuals including succession planning, training, and span of control	CR 01	All	MEDIUM	This area will be included in Connect programme.  <b>Defer to 2021/22 Audit Plan.</b>
Performance Management	To assess arrangements for measuring and reporting performance and development of measures against which progress of the Business Plan can be assessed	CR 01	All	HIGH	May be quite early stages for detailed Business Plan objectives, given impact of Covid on first half of 2020/21.  To be carried out as a light touch to assess progress in developing meaningful measures to monitor Business Plan progression.
Project Management	To provide constructive challenge over governance & design of controls for new and existing projects. Original plan was review Discover 2020, which has been deferred due to Covid pandemic	CR 01	Being financially sustainable	HIGH	Several projects to get under way in 2020/21 but impacts from COVID-19.

<b>Proposed Audit</b>	<b>Original Outline Scope</b>	<b>Corporate Risk</b>	<b>Business Plan Priority</b>	<b>Importance re Business Plan</b>	<b>Comments</b>
Safeguarding	To provide an overview of the effectiveness of the Council's safeguarding arrangements	CR 02	Early Intervention		Completed. Reported to Audit Committee 28/7/20.
Asset Management	Follow-up of Asset Management Audit of 2019/20	CR 03b	Being financially sustainable	MEDIUM	"Adequate" assurance in 2019/20. May be suited to latter part of 2020/21 crossing into 2021/22.
Health & Safety	Follow-up of Health & Safety Audit of 2019/20	CR 03b	Being financially sustainable	MEDIUM	"Adequate" assurance in 2019/20. May be suited to latter part of 2020/21 crossing into 2021/22.
Business Continuity Arrangements	To examine arrangements to maintain services in event of an incident	CR 04	All	HIGH	Combine Emergency Planning / BCP for 2020/21. Work in progress
Emergency Planning	Examination of arrangements in place for dealing with a disaster / major security incident impacting residents , particularly in light of risks that emerged late 2019/20	CR 04	All	HIGH	Combine Emergency Planning / BCP for 2020/21. Work in progress
Cyber Security	To carry out a non-technical review of measures in place to raise awareness of risks and defences in place to avoid cyber-attacks etc on the Council's network and application	CR 05	Being financially sustainable	HIGH	Reliance to be placed on existing techniques; users, questionnaires, internal measures by ICT Team etc.

<b>Proposed Audit</b>	<b>Original Outline Scope</b>	<b>Corporate Risk</b>	<b>Business Plan Priority</b>	<b>Importance re Business Plan</b>	<b>Comments</b>
Information Breach Investigation	As required. Added as a contingency in AAP	CR 05	Being financially sustainable	HIGH	Contingency if required.
Key Financial - Finance Parameters & Users	To review a sample of IT applications, to assess access controls, parameters, and users	CR 05	Being financially sustainable		Completed. Reported to Audit Committee 28/7/20.
Key Financial - R&B Parameters & Users	To review a sample of IT applications, to assess access controls, parameters, and users	CR 05	Being financially sustainable		Completed. Reported to Audit Committee 28/7/20.
Complaint Handling	To review effectiveness of the complaints procedures in dealing with issues raised by residents	CR 07	Enable Communities	MEDIUM	
Engagement with Residents & Other Stakeholders	To review arrangements for engaging & communicating with residents & stakeholders	CR 07	Enable Communities	MEDIUM	Consider also with BCP / Emergency Planning.
Homelessness Reduction	Review of procedures and outcomes following enablement of the Homeless Reduction Act 2017	CR 08	Early Intervention	HIGH	Work in Progress.
Staff Performance Management	To assess whether there is a robust and consistently applied framework to manage staff performance and to	CR 10	Being financially sustainable	MEDIUM	Linked to Connect Programme and ongoing workforce development planning.

Proposed Audit	Original Outline Scope	Corporate Risk	Business Plan Priority	Importance re Business Plan	Comments
	ensure staff receive required training				<b>Defer to 2021/22 Audit Plan.</b>
Partnership & Other Delivery Models	To assess arrangements for governance and oversight of partnerships to include ensuring delivery of agreed outcomes	CR 11	Enable Communities	MEDIUM	Main items are health & crime related with Castle Point and ASELA.
Contract Monitoring	To assess if key contracts are effectively managed to ensure compliance with terms and to achieve required outcomes. ICT Financial controls to be reviewed	CR 12	Being financially sustainable	HIGH	Testing under way. Not a specific contract audit but a review of ICT expenditure. Work in progress
Procurement	The assess if the requirements of Financial Regulations & Contract Procedure Rules are complied with by sampling a selection of purchased goods & services across a range of values and service areas	CR 12	Being financially sustainable	HIGH	"Limited" assurance to Audit Committee 28/7/20. Follow up to be carried out to report in 2020/21 work. Testing to be limited to a review of FocalPoint orders to see if audit outcome earlier in year achieves aim.
Vehicle Fleet Management	To assess whether the Council effectively manages its fleet of vehicles in respect	CR 12	Being financially sustainable	LOW	Not a key audit <b>Defer to 2021/22 Audit Plan.</b>

<b>Proposed Audit</b>	<b>Original Outline Scope</b>	<b>Corporate Risk</b>	<b>Business Plan Priority</b>	<b>Importance re Business Plan</b>	<b>Comments</b>
	of maintenance and replacement management				
Annual Governance Statement	Collate the AGS for 2020/21	CR 13	All	HIGH	Annual event. Significant work commences turn of calendar year
Counter Fraud Arrangements - Corporate	To carry out an overview of the Council's counter-fraud arrangements.	CR 13	Being financially sustainable	HIGH	Over-view function to support Counter-fraud Champion Important for assurance.
Counter Fraud Arrangements - Revenues & Benefits	To carry out an overview of the level of counter-fraud activity by the Compliance Team in R&B. To report progress to the Audit Committee	CR 13	Being financially sustainable	HIGH	No detailed testing planned although 2020/21 NFI data matches will go "Live" around February 2021.
Covid Grant Related Work	To review, as required, a range of business grants paid out as a result of the Covid arrangements. This may be a central Govt. requirement at some stage	CR 13	Being financially sustainable	HIGH	Work re Revenues & Benefits processed grants completed. Testing of Discretionary Grants is a work in progress.  Report to be provided on both when completed
Elections	Review of governance arrangements for manging elections.	CR 13	Being financially sustainable	MEDIUM	Completed. Reported to Audit Committee 10/11/20

Proposed Audit	Original Outline Scope	Corporate Risk	Business Plan Priority	Importance re Business Plan	Comments
Housing Benefits Subsidy	Provide initial testing for HB Subsidy testing for audit of 2019/20	CR 13	Being financially sustainable	HIGH	Initial testing completed. Summary presented to Audit Committee 10/11/20. May still have some time commitment during actual audit by BDO.
Key Financial - Creditors	To assess if key controls and procedures are adequately designed and effectively applied	CR 13	Being financially sustainable	HIGH	Not been reviewed for a couple of years. Significant change in personnel / management during 2020/21. Could be carried out by Basildon BC officers.
Key Financial - Debtors (Follow-up)	To assess if key controls and procedures are adequately designed and effectively applied	CR 13	Being financially sustainable	HIGH	"Limited" assurance 2019/20. Change in processing / personnel. Need to allow bedding in period Could be carried out by Basildon BC officers.
Key Financial - Housing Benefits	To assess if key controls and procedures are adequately designed and effectively applied	CR 13	Being financially sustainable	HIGH	Assessment controls and quality determined in HB Subsidy work.  <b>Defer to 2021/22 Audit Plan.</b>
Key Financial - Payroll	To assess if key controls and procedures are adequately designed and effectively applied	CR 13	Being financially sustainable	HIGH	Complete change in personnel. Was not in 2020/21 Plan originally.



Proposed Audit	Original Outline Scope	Corporate Risk	Business Plan Priority	Importance re Business Plan	Comments
Planning Services Performance	To assess whether there are effective procedures and processes to ensure planning applications are processed in required timescales	CR 13	Early Intervention	LOW	Rated as Low in priority for 2020/21 Audit Plan. Had been subject to an external review with recommendations.  <b>Defer to 2021/22 Audit Plan.</b>
Risk Management	To review the existence and effectiveness of a sample of mitigation actions for key risks. 50% of SARR were reviewed in 2019/20	CR 13	Being financially sustainable	HIGH	Same scope as for 2019/20 SARR review of remaining 50%
GDPR - Key Elements	Overview of adequacy of data breach & data subject request management	CR 15	Being financially sustainable	MEDIUM	"Adequate" assessment for GDPR overall in 2019/20
Special Investigations	Carry out investigations in conjunction with Human Resources as Directed by the Leadership Team	N/A	N/A		.

**CORPORATE RISKS**

**CR01:** We fail to deliver the objectives of the Council's Business Plan in terms of measurable outcomes

**CR02:** There is a failure to safeguard children and adults with care and support needs from abuse and/or neglect in line with the Council's legal responsibilities.

**CR03b:** There is a serious health & safety incident for which the Council is culpable

**CR04:** We fail to respond to, or provide relevant services in the event of an incident or disaster

Proposed Audit	Original Outline Scope	Corporate Risk	Business Plan Priority	Importance re Business Plan	Comments
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**CR05:** Council held data is lost, disclosed, or misused to detriment of individuals or organisations as a result of inadequate protection

**CR07:** Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve

**CR08:** We fail to innovate and develop new ways of meeting customer needs and expectations

**CR10:** The inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council's priorities

**CR11:** Failure to enter into and manage effective partnerships for the delivery of services and outcomes

**CR12:** The Council could fail to provide consistent VFM across all services or obtain VFM in its procurement

**CR13:** Failure to ensure good governance of the Council's activities and delivery of priority outcomes

**CR15:** Failure to ensure compliance with GDPR and unable to demonstrate application of information standards, controls, and statutory compliance