

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2020/21	Year End position	Status / Assurance
<b>Corporate Framework</b>				
Governance and Probity	The Council's governance framework underpins everything it does; therefore, robust arrangements are key in managing this risk.	Assess the governance arrangements in place for Qualis (Group and individual subsidiaries) both in 2020/21 and beyond.	<p>Qualis Group governance: There is a clear governance framework in place with the S151 Officer acting as the Council's shareholder representative. As part of a wider piece of work, a review of the information to be included in the Qualis business plan is being carried out by the Council to ensure enough relevant financial and other business measures, including the use of targets or Key Performance Indicators, are reported on to enable the Council to effectively monitor progress.</p> <p>Corporate Governance Group: Active member of the Corporate Governance Group, which during the year has overseen progress against the Annual Governance Statement action plan, updated the Council's anti-fraud and corruption strategy and reviewed the Local Code of Corporate Governance.</p>	Qualis Group governance - substantial assurance

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<p>Fraud, including proactive fraud work</p> <p>Any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery</p>	<p>Financial resilience and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan</p> <p>Financial resilience features on the corporate risk register.</p>	<p>Co-ordinating data matching (National Fraud Initiative), training and awareness, interaction with corporate fraud initiatives, oversight of the delivery of the Council's anti-fraud and corruption strategy and the Corporate Fraud Team. Potential for fraud considered in all audits.</p>	<p>Internal Audit (IA) continued in year work regarding the National Fraud Initiative (NFI).</p> <p>Both Internal Audit and the Corporate Fraud Team have been actively supporting the business grants process to ensure the risk of fraudulent activity is minimised.</p> <p>IA undertook one investigation in tandem with the Corporate Fraud Team regarding a potential leak of commercial information. Progress against the recommendations coming out of the investigation are being overseen by the Strategic Information Governance Group</p>	<p>Completed for 2020/21</p>
<p>Assurance Framework including Risk Management and support to Audit Committee</p>	<p>Risk in achieving corporate priorities as these are underpinned by sound leadership, management of resources, and governance.</p>	<p>Co-ordination of year-end assurance reporting, including the Annual Governance Statement. Member of the Corporate Governance Group. Assistance to the Risk Management Group who continue to develop and embed the Council's risk management framework. Support and training to the Audit Committee.</p>	<p>Internal Audit drove the annual Service Assurance Statement review each service undertakes regarding its own effectiveness of its governance; risk management and internal control arrangements. Findings and key themes or common issues were fed into the Annual Governance Statement.</p> <p>Internal Audit continued as an active member of the Officer Risk Management Group and in its regular review of the corporate risk register.</p> <p>Internal Audit provided bespoke training to a member of the Audit and Governance Committee on the back of a skills and knowledge analysis of the Committee. All councilors were invited to risk management training provided by the Chief Internal Auditor in January 2021.</p>	<p>Completed for 2020/21</p>

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<p>Information Management and Governance</p> <p>Data protection and security. Data sets, owners and protocols. Governance and data sharing. Training and awareness</p>	<p>Data/information features on the corporate risk register</p> <p>Breach of data protection and other legislation related risks which could lead to significant fines and reputational damage.</p>	<p>Continue to assist the Council's DPO by providing assurance in targeted areas. During 2020/21 Internal Audit will continue to complete a GDPR checklist for each audit, feeding the results back to the DPO. In addition, IA will actively assist in the delivery of the Strategic Information Governance Group's (SIGG) action plan, of which it is a member. The IGG is chaired by the Council's SIRO.</p>	<p>Internal Audit is a key member of both the Strategic Information Governance Group and its sister group, the Information Assets Owners Group. Both Group's met monthly to bi-monthly as the Council continues on its journey to improve the maturity of its Information Governance framework.</p> <p>In particular, Internal Audit drafted a data retention and disposals policy which has been accepted and communicated to Officers and ensured that each department has an up to date Register of Processing Activities to ensure compliance with the General Data Protection Regulations (GDPR). IA has ensured that privacy by design has been incorporated into the project management framework through the use of Data Protection Impact Assessments and is also undertaking a review of the Council's Information Governance policies.</p>	<p>Completed for 2020/21</p>

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<p>Performance Management</p> <p>Data integrity and quality (collection, collation, analysis and validation). Use of performance targets.</p>	<p>Risk of non-achievement of corporate priorities</p>	<p>Performance Indicators (PIs) considered within operational audits plus specific reviews on an aspect of Corporate PIs.</p>	<p>Performance Management Customer Services (carried forward from 2019/20): This included a review of the Customer Services transformation action plans as this was in progress at the time of the audit. Plans had been updated to reflect to new working arrangements caused by Covid19 restrictions and the requirement for home working.</p> <p>Ongoing performance measurements supported activities that have been effective in delivering a reduction in complaints received, an increase in channel shift to online and improvements in call centre responses where the matter is resolved on first contact.</p> <p>No concerns identified regarding performance indicators and management examined in other audits except for Accounts Payable (see later on)</p>	<p>Performance Management Customer Services – substantial assurance</p>

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<p>Value for Money (VfM)</p> <p>Guiding principle of the Council.</p>	<p>Financial resilience and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan</p> <p>Financial resilience features on the corporate risk register</p>	<p>Not an audit in itself, but IA will continue to assist in the Council's review of its scheme of delegation and incorporate a review of delegations within individual audits.</p> <p>In addition, VfM is considered within operational audits in terms of 3Es (economy, efficiency and effectiveness) and bench marking.</p> <p>.</p>	<p>Internal Audit has been assisting with an exercise to develop a schedule of responsibilities for each layer of the management spine, reflecting the DMA (Decision Making Accountability) principles used to design the Council's structure. This is to ensure there is clarity and consistency of decision making at each management level and decision making is attached to the role and not the individual.</p> <p>In addition, advice has been provided on streamlining processes within payroll services and accounts payable.</p>	<p>Completed for 2020/21</p>

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<p>Joint Working, Shared Services, outsourcing, trading companies and Partnerships</p>	<p>Reducing duplication of services across partners and seeking out value for money for service delivery is a feature of the Corporate Plan</p>	<p>To ensure joint arrangements are working in the best interests for the Council with appropriate governance/ monitoring arrangements in place</p>	<p>Harlow and Gilston Garden Town (carried forward from 2019/20): A HGGT Member Board comprising representatives from all five councils provides high level oversight and direction for the HGGT project. Progress is monitored through the Project Director's highlight report to the Board and their weekly meetings with the Independent Chair of the Board. Fortnightly meetings between the Chief Executive and HGGT Director ensure the Council's interests are communicated at a strategic level.</p> <p>As lead authority for the project, Epping Forest District Council is responsible for the HGGT finances. Robust financial procedures ensure budgets are not overspent, finances are accurately recorded and reported, and procurement is in line with legislation and the Council's Procurement Rules.</p>	<p>Harlow and Gilston Garden Town (HGGT) – substantial assurance</p>

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<p>Projects</p> <p>Business case, project methodology, governance arrangements, contract management and viability</p>	<p>Poor project management increases risk of projects not being delivered on time, to budget or not meeting the needs of the Council</p> <p>Strategic sites features on the corporate risk register</p>	<p>Time is set aside each year for Internal Audit to attend appropriate project meetings, as well as providing ad hoc advice and support.</p>	<p>Through the year Internal Audit has sat on the IT Portfolio Governance Group, which has now morphed into the Portfolio Governance Group. The Group provides strategic oversight of the Council's projects and project management framework</p> <p>Internal Audit has been advising on the revised project management framework and help set up a project group to look at extending the use of purchase cards across the Council.</p>	<p>Completed for 2020/21</p>
<p>Contingency</p>	<p>Annual provision for responsive work, special investigations or key/emerging risk areas.</p>	<p>Will also take into account themes/issues coming out of the Annual Governance Statement.</p>	<p>One special investigation was undertaken by Internal Audit in collaboration with Corporate Fraud during 2020/21.</p> <p>The majority of contingency time was spent on Covid-19 business grant work. This included assessing all relevant business grant applications using the central government due diligence tool, Spotlight. Over 4,000 grant applications totaling in excess of £40m were checked. As well liaising on a regular basis with the Revenue and Benefits Manager about other pre and post business grant checks and sharing good practice from other councils.</p>	<p>Completed for 2020/21</p>

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<b>Themed/cross cutting audits</b>				
<p>Income Streams</p> <p>To ensure financial resilience the Council needs to protect and maximise its income streams</p>	<p>Finance resilience features on the corporate risk register</p>	<p>Each year a portion of Internal Audit work will focus on ensuring key income streams for the Council are maintained and adequately controlled.</p> <p>For 2020/21 the leisure management contract audit is to ensure that income streams are maintained and adequately controlled, and the expected benefits (both financial and non-financial) are being realised.</p>	<p>Leisure management contract audit: This did not go ahead due to Covid-19 and leisure services being closed for the majority of 2020/21.</p>	<p>No assurance work undertaken in this area</p>
<p>Procurement</p> <p>Themed audits - compliance, vfm, fraud, goods and services. End to end processes (need, selection, appointment, contract management and exit strategies)</p>	<p>Risks include noncompliance with legislation, fraud and not achieving value for money.</p>	<p>Annually focus on an aspect of procurement which could range from need, selection, appointment, contract management and exit strategies.</p>	<p>Procurement was covered as part of the Harlow Gilston Garden Town audit. In addition, Internal Audit has given advice on contract extensions and compliance with delegated authority.</p> <p>Procurement and Contract audit: Fieldwork in progress covering the following areas:</p> <ul style="list-style-type: none"> <li>• Compliance with the Procurement Rules, and reporting of any breaches</li> <li>• Waivers and contract extensions</li> </ul>	<p>Procurement and Contract audit - will be reported as part of the 2021/22 Plan</p>

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Health & Safety (H&S)	Risk of compromising the health and safety of individuals and noncompliance with H&S legislation leading to fines or imprisonment.	Assess the adequacy of the Council to ensure statutory H&S testing is being complied with	<p>Health &amp; Safety - council building and depot compliance: A single master record of all compliance testing covering all Council sites is to be introduced along with quarterly reporting to the Corporate Safety Team</p> <p>Internal Audit also sits on the Strategic Safety Group and the Operational Safety Group, and have inputted into H&amp;S policies and procedures as they have been reviewed</p>	H&S council building and depot compliance – moderate assurance
Business Continuity Planning (BCP)	Business continuity is on the corporate risk register	<p>IT Disaster Recovery is a technical review and will be undertaken by a specialist.</p> <p>Business continuity will ensure adequate progress has been made to further develop the Council's framework.</p>	<p>IT Disaster Recovery: A project manager is to be appointed to produce a comprehensive Disaster Recovery plan, with a full test of this planned for 2021/22.</p> <p>Business Continuity: Internal Audit kept a watching brief during the year by speaking to key officers and reviewing the outcomes from the Covid-19 recovery group. Business continuity is a standing agenda item for the Corporate Governance Group</p>	IT Disaster Recovery – limited assurance

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<p>Key Financial Controls (KFC)</p> <p>Rolling programme of full system and key financial control audits (unless significant change in process/system or poor audit outcome)</p>	<p>Finance resilience features on the corporate risk register</p>	<p>Rolling programme of key financial control (KFC) audits. For 2020/21 these were to be:</p> <ul style="list-style-type: none"> <li>• Payroll</li> <li>• Treasury Management</li> <li>• Cash and banking</li> </ul> <p>However, due to Covid-19 was agreed instead to undertake the following audit to review the robustness and effectiveness of internal controls as the Council began its recovery phase and suitability of these for the future:</p> <ul style="list-style-type: none"> <li>• Accounts Payable.</li> </ul>	<p>Fixed assets (carried forward from 2019/20): Areas for improvement identified include reconciliations, year-end procedural notes and updating Financial Regulations.</p> <p>Accounts Payable: This audit confirmed that the Accounts Payable control framework is effective and that no reductions in control effectiveness have occurred due to remote working including the use of email approvals rather than wet signatures. There is a need to update Financial Regulations and introduce management information and monthly reporting.</p> <p>Payroll audit: Fieldwork in progress. Will be reported as part of the 2021/22 plan.</p> <p>The cash and banking audit now forms part of the three-year audit plan</p> <p>Treasury management deferred to 2021/22 due to staffing changes within the accountancy function</p>	<p>Fixed assets: moderate assurance</p> <p>Accounts Payable – moderate assurance</p>

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<p>IT Audits:</p> <p>IT Governance, IT Regulation, Security/Privacy, Business Systems, Disaster Recovery plan (DRP)/BCP, Network, Emerging Technologies e.g. mobile devices, IT Applications and Projects</p>	<p>Risks around data and asset security and loss of service.</p> <p>Opportunity for IT to be an enabler for delivering the Council's priorities.</p> <p>Data/information features on the corporate risk register</p>	<p>A specialist IT Auditor will be brought in as required for the more technical audits. The 2020/21 active directory audit will ensure this reflects the Council's new structure and is working as intended.</p> <p>Storage Area Network is integral to the smooth running of the Council's ICT infrastructure because it is the main data storage function for the Council. It's under or non-performance would jeopardise efficient and effective service delivery.</p>	<p>Active directory: Active Directory (AD) management is a directory service developed by Microsoft for the administration of all PCs and servers on a Windows domain. There are a number of areas that need tightening up including password setting within the AD domain, removing dormant and inactive AD accounts and the need to remove unsupported servers, which the Council was already aware of and a project has been initiated.</p> <p>Storage Area Network: The SAN is a dedicated network for data storage. In addition to storing data, SANs allow for the automatic backup of data, and the monitoring of the storage and the backup processes. The main areas for improvement were ensuring vendor support around the firewall appliance (now in place) and administration of this. These have now been completed.</p>	<p>Active directory – moderate assurance</p> <p>Storage Area Network – limited assurance</p>

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<b>Operational/service level audits</b>				
<p>Community and Partnerships</p> <ul style="list-style-type: none"> <li>• Community and partnerships</li> <li>• Community resilience</li> </ul>	<p>Building stronger communities is one of three Corporate objectives for the Council</p>	<p>No planned audits for 2020/21 as this area remains stable and previous audits, for example safeguarding, have been positive. Further assurances will be obtained during the year through review of their service risk register.</p>	<p>Discussions with the Service Director and review of their risk register confirmed there were no significant concerns or risks in this area</p>	<p>No formal assurance work undertaken in this area</p>
<p>Commercial and Regulatory</p> <ul style="list-style-type: none"> <li>• Commercial</li> <li>• Regulatory</li> </ul> <p>Several areas underpinning these are covered elsewhere in this Plan e.g. H&amp;S, business continuity, projects and commercial income</p>	<p>In this highly regulated area, key risk is non-compliance with legislation</p>	<p>Building control as this area has moved directorate following the restructure.</p>	<p>Building control: This audit was deferred as the 2020/21 audit plan was altered due to Covid-19. Discussions with the Service Director confirmed there were no significant concerns or risks in this area</p>	<p>No formal assurance work undertaken in this area</p>

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Housing and Property <ul style="list-style-type: none"> <li>• Property maintenance</li> <li>• Housing</li> <li>• Development</li> </ul>	Housing capital features on the corporate risk register	Ensure there is a robust mechanism to ensure the Council meets its gas safety requirements.	Gas safety: Fieldwork in progress	Gas safety – to be reported as part of the 2021/22 Plan
Planning <ul style="list-style-type: none"> <li>• Planning Policy</li> <li>• Development Management</li> </ul>	Local Plan features on the corporate risk register	Assess the processes in place to deliver the Local Plan	Local plan delivery: Not a formal audit, instead oversight through strategic risk register and the Risk Management Group  Regular discussions with the Service Director and review of their risk register confirmed there were no significant concerns or risks in this area	Completed for 2020/21
Contracts and Technical <ul style="list-style-type: none"> <li>• Technical</li> <li>• Contracts</li> </ul>	Keeping the District clean and green is a feature of the Corporate Plan	The 2020/21 leisure audit is the same audit as that detailed earlier under income streams	Leisure management contract audit: This did not go ahead due to Covid-19 and leisure services being closed for the majority of 2020/21.	No assurance work undertaken in this area

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<p>Business Services</p> <ul style="list-style-type: none"> <li>• ICT and Business Support</li> <li>• Accountancy</li> <li>• Legal (shared service)</li> <li>• People Team (HR)</li> </ul> <p>Note: IT audits covered elsewhere in the Plan</p>	<p>Efficient use of the Council's financial resources, building and assets is a key feature of the Corporate Plan. As well as enhancing skills and flexibility of our workforce</p>	<p>Work in 2020/21 on staff performance is the same as the work detailed earlier under performance management.</p> <p>The 21/22 audit of cashflows will be a technical audit to ensure implementation of the External Auditor's recommendations in this area are working as intended and the staff recruitment audit will take into account the new iTrent module for this.</p>	<p>See earlier for finance and IT related audits</p> <p>Advice has been provided around the capitalisation of salaries, payroll sign off processes and the possible use of direct debits to streamline supplier payment processes.</p>	<p>Completed for 2020/21</p>

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<p>Customer Services</p> <ul style="list-style-type: none"> <li>• Electoral Services</li> <li>• Democratic Services</li> <li>• Revenue and Benefits (covered under key financial controls)</li> <li>• Customer Services</li> </ul>	<p>Engaging with the changing needs of our customers and having robust local democracy and governance is a key feature of the Corporate Plan.</p>	<p>An audit of customer services was completed as part of the 2019/20 plan.</p> <p>Electoral Services is heavily regulated by central government. Therefore, as with Community and Partnerships further assurances will be obtained during the year through review of their service risk register</p>	<p>See earlier Customer Services audit under Performance Management and business grants work with the Revenue and Benefits service under contingency</p>	<p>Completed for 2020/21</p>
<p>Follow Up Audits</p> <p>Review of progress against recommendations on the tracker.</p>	<p>Tracker process ensures risks identified in audits have been managed to an acceptable level.</p>	<p>Includes specific follow up audits especially where Limited assurance previously given. Includes maintenance of the recommendation tracker.</p>	<p>Implementation of all recommendations continues to be scrutinised as part of the tracker process.</p> <p>Recommendations made in previous reports are routinely followed up when the audit is next undertaken, for example health and safety, accounts payable and fixed assets</p>	<p>Completed for 2020/21</p>