

Audit Area and Context	Corporate Risks	Proposed outline/ scope for 2018/19	Year End position	Status/assurance
Corporate Framework				
Governance and Probity	<p>The Council's governance framework underpins everything it does; therefore, robust arrangements are key in managing this risk</p> <p>Strategic sites features on the corporate risk register.</p> <p>.</p>	<p>Governance: St Johns Road: examine the robustness of the decision-making process</p> <p>Code of Conduct including gifts and hospitality: Code of Conduct was one of the policies cited in the 2016/17 Annual Governance Statement for greater awareness. This audit will also incorporate a review of gifts and hospitality for staff and Members.</p> <p>Transformation: During 18/19 continue to provide advice and guidance as Transformation projects are delivered, ensuring internal controls, governance and risk management processes remain robust during the change programme</p> <p>Member of the Corporate Governance Group</p>	<p>St Johns Road: Poor engagement with external partners probably contributed to the significant delays in the project. Going forward, clear governance arrangements should be established to ensure appropriate decision-making, accountability and reporting measures are in place to effectively manage the project from the Council's perspective.</p> <p>Staff Code of Conduct and Gifts & Hospitality (Staff and Members): The Council's Staff Code of Conduct is supported by a framework of policies and procedures. The processes around staff gifts and hospitality are generally operating well, although one register could not be located, there is a need for greater clarity of the types of gifts and hospitality which can be accepted, and a high level independent review of the registers to ensure compliance with Council policy. Gifts and hospitality guidance for Members should be updated.</p> <p>Transformation: Not an audit; instead advice and guidance given as Transformation progressed especially around delegated authorities.</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 Whistleblowing Policy and reviewed the Local Code of Corporate Governance.</p>	<p>St Johns Road – Limited assurance</p> <p>Staff Code of Conduct and Gifts & Hospitality (Staff and Members) – Moderate assurance</p>

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Fraud, including proactive fraud work Any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery	Financial resilience and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan	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	Internal Audit (IA) continued in year work regarding the National Fraud Initiative (NFI). IA undertook two investigations, one of which was handed over to the Corporate Fraud Team and the other concluded to the satisfaction of the Service Director who commissioned it. Internal Audit and Corporate Fraud have started developing a joint approach to identifying and tackling potential internal fraud areas from a controls perspective.	Completed
Assurance Framework including Risk Management and support to Audit Committee	Risk in achieving corporate priorities as these are underpinned by sound leadership, management of resources, and governance.	Co-ordination of year-end assurance reporting, including the Annual Governance Statement. Assistance in developing and embedding the Council's risk management framework. Support and training to the Audit Committee	IA 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. Internal Audit continued as an active member of the Officer Risk Management Group and in its regular review of the corporate risk register. Internal Audit has facilitated training sessions for the Audit and Governance Committee on how to read a set of financial accounts and assurance frameworks.	Completed

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Information Management and Governance Data protection and security. Data sets, owners and protocols. Governance and data sharing. Training and awareness	Data/information features on the strategic risk register Breach of data protection and other legislation related risks which could lead to significant fines and reputational damage.	General Data Protection Regulation compliance: General Data Protection Regulation (GDPR) comes into effect 25 May 2018. Internal Audit will work with the Council's Data Protection Officer to help ensure compliance across the Council.	New audit - Personal Data shared by Email with Members: Members should be issued with a Council email address and all email communication between Members and officers should be to/from this email account instead of their personal accounts. As part of their job role, Council officers frequently share personal data with Members by email in response to requests for information to enable Members to investigate complaints and issues raised by residents. However, all information shared by the Community Safety and Safeguarding Team and by Electoral Services (which includes sensitive data) with Members is sent securely via the Mimecast secure email facility. For a sample of audits, Internal Audit completed a GDPR checklist and found overall these areas were generally GDPR compliant. Any control weaknesses or areas for improvement would be shared with the Corporate Governance Group, which the Data Protection Officer sits on.	Personal Data shared by Email with Members – Moderate assurance
Value for Money (VfM) Guiding principle of the Council.	Financial resilience and providing services are key in relation to the corporate risk register and achievement of the Council's corporate plan	2018/19 introduces a suite of short/sharp audits driven by data analytics e.g. spend analysis, inventories and payroll. VfM considered within operational audits.	Data analytics used in the HR starters, movers, leavers and corporate indicators audits. Value for money considered within operational audits (in terms of the 3Es – economy, efficiency and effectiveness). Areas for improvement in terms of the 3Es identified in a number of audits including IT software licencing, Business Rates - Council wide approach and museum services audits.	Completed

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Performance Management Data integrity and quality (collection, collation, analysis and validation). Use of performance targets.	Risk of non-achievement of corporate priorities	Examination of the Performance Indicators being proposed as part of the 2018-23 Corporate Plan to ensure they are being reported correctly and being acted upon Performance Indicators considered within operational audits.	Corporate performance Indicators: Robust controls ensure that performance indicators are calculated accurately and reported in a timely way to Members. A review of performance indicators has been undertaken by the Leadership Team and the Project & Programme Management Team resulting in a reduction in the number of PIs to be reported in 2019/20 from 47 to 13. Performance management now falls under the responsibility of the Community and Partnerships Service Director who will oversee a more comprehensive review of performance management arrangements during 2019/20 No concerns regarding performance indicators have come out of audits undertaken including Council Tax and Business Rates, Museum Services and off-street parking.	Corporate Performance Indicators – Substantial assurance

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Income Streams To ensure financial resilience the Council needs to protect and maximise its income streams	Finance – income features on the strategic risk register	Commercial rents: Ensuring this key income stream for the Council is adequately controlled. Business rates – Council wide approach: Whilst Revenues are responsible for maximising collection of income, the 2018/19 audit will ensure other services (Planning/Economic Development/Commercial Property) have effective processes in place to maximise the tax base.	Commercial rents: Rental income is being monitored and reconciled, with debts being managed appropriately. There are processes in place to ensure the commercial property database is complete and accurate; and is used for setting rents and service charges, and highlights the need for rent reviews and lease renewals, which are carried out promptly. Business rate – Council wide approach: The Business Rates team is proactive in seeking out new information and meets with other teams across the Council to maximise income. The Team is involved in local and national networking forums to keep up to date with case law and latest developments and has engaged a firm of external consultants to try and identify additional income.	Commercial rents – Substantial assurance Business rate – Council wide approach – Substantial assurance
Joint Working, Shared Services, Outsourcing and Partnerships Opportunities for cost savings and improved value for money through joint working is a feature of the Corporate Plan.	Partnerships feature on the corporate risk register	Museum and cultural services: Ensuring arrangements are working in the best interest for the Council with appropriate governance and monitoring arrangements in place.	Museum and Cultural Services: The Joint Working Collaboration between Epping Forest and Broxbourne is being managed and administered effectively. There is a Service Level Agreement in place, working as intended, and a joint vision/strategy provided by a 5-year Business Plan, which will be validated through the Arts Council of England (ACE) accreditation.	Museum and Cultural Services – Substantial assurance

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Projects Business case, project methodology, governance arrangements, contract management and viability	Poor project management increases risk of projects not being delivered on time, to budget or does not meet the needs of the Council Strategic sites features on the corporate risk register	Council house building programme: examine arrangements in place to deliver the Council's housing building programme following the departure of the Development Agent. Customer Services: Ensure satisfactory progress is being made in the new way customer services is being delivered and	Council house building: Since the last audit in 2017/18, the Development Agent has exited the contract and their role has been replaced through closer monitoring of the Programme by the Housing Development and Finance teams. The contract with the Employer's Agent has been novated so that they are now working directly for the Council resulting in retention of Programme knowledge and significant cost savings. Due to its scale and complexity however, achieving the Programme timetable and budget remains an ongoing challenge.	Council house building - Moderate assurance
Contingency	Annual provision for responsive work, special investigations or key/emerging risk areas.	Will also take into account themes/issues coming out of the Annual Governance Statement	Contingency has been used on two special investigations (see fraud section above), an additional audit on Personal Data shared by Email with Members and a review of lessons to be learnt when late payment of invoices led to legal proceedings against the Council being served, which were subsequently withdrawn following payment.	Completed
Themed/cross cutting audits				
Procurement Themed audits - compliance, vfm, fraud, goods and services. End to end processes (need, selection, appointment, contract management and exit strategies)	Risks include noncompliance with legislation, fraud and not achieving value for money.	Contract register and GDPR compliance: Building on the work undertaken in 2017/18 Internal Audit will assess the Council's framework to ensure contracts are GDPR compliant.	Contracts Register: This is maintained by Legal, however, they are not informed of all contracts which increases the risk of non-compliance with GDPR and the Council's Procurement Rules, and contracts exceeding their expiry date. There is a need to review the Procurement Rules and a refresh of all procurement documentation (toolkit, checklist etc.) followed by a Council-wide communication and training programme.	Contracts register - Moderate assurance

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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.	Corporate H&S framework: Examination of the Council's H&S framework as operational responsibility has moved from Human Resources to Neighbourhoods	Health & Safety Corporate Approach: The Council has implemented an overarching H&S Management Framework, which includes an H&S Corporate Strategy/Policy, supported by appropriate H&S Procedures; H&S overview by Corporate and Directorate Safety Teams; staff with H&S experience are employed in key roles and appropriate H&S awareness training is provided. Nevertheless, the framework does require review and, if necessary, refresh, to ensure the Strategy, Policy, Procedures and overview mechanisms remain effective following the Council's re-structuring process.	Health & Safety Corporate Approach – Substantial assurance
Business Continuity Planning (BCP)	Business continuity features on the strategic risk register	Emergency Planning: ensure the Council has a co-ordinated approach to both emergency and business continuity planning in light of the problems experienced by the Royal Borough of Kensington and Chelsea following the Grenfell Tower tragedy.	The emphasis of the audit was to be on emergency planning to ensure the Council had a co-ordinated approach to both emergency and business continuity planning in light of the problems experienced by the Royal Borough of Kensington and Chelsea following the Grenfell Tower tragedy. Since the audit plan was approved a new Contingency Planning and Council Safety Officer was appointed, who brings considerable emergency planning experience from their previous post at District Council level. This audit, was therefore, to assist them in assessing the adequacy of current business continuity arrangements at Epping Forest which had not been subject to previous Internal Audit review.	Business Continuity – No assurance, however, Council wide project is in progress to address concerns raised

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Key Financial Controls (KFC) Four-year rolling programme of full system and key control audits (unless significant change in process/system or poor audit outcome)	Finance – income features on the strategic risk register	Creditors Council Tax and Business Rates	<p>Creditors: The main concern of the audit was the lack of financial limits detailed in the Authorised Signatory List. In addition, the Council's Financial Scheme of Delegation could not be located or obtained by the Finance Team which increases the risk that staff may be authorising transactions which do not fall within their delegated authority albeit the audit did not find any evidence of this. There is also a need to produce and follow-up regular exception reports, evidence due diligence checks on new suppliers and other financial controls such as review of the weekly payment run report.</p> <p>Council Tax and Business Rates: There is effective management and administration of Council Tax and Business Rates. The audit found effective controls in place over processing valuation listings, discounts, annual billing, refunds and arrears.</p>	Creditors – Moderate assurance Council Tax and Business Rates – Substantial assurance
IT Audits: IT Governance, IT Regulation, Security/Privacy, Business Systems, DRP/BCP, Network, Emerging Technologies e.g. mobile devices, IT Applications and Projects	Risks around data and asset security and loss of service. Opportunity for IT to be an enabler for delivering the Council's priorities.	System access and mobile working: assess the security of the network and adequacy of mobile working arrangements for staff as the IT, staff and accommodation strategies are being delivered Software Licencing: ensure there is a robust process for managing and monitoring software licences.	System Access and Mobile Devices: The risks around system access and security of mobile devices are being well managed. The audit recognised the need to ensure momentum continues in delivering Transformation and the IT strategy, in terms of the applications side, not just the hardware roll-out, but with the applications that should follow. Software licensing: The Council cannot demonstrate definitively that it currently has sufficient licences as the data supporting assessment is drawn from a number of different sources. This is partly due to a lack of reconciliation between expected software licencing and the IT asset register/deployment database which is not up to date.	System Access and Mobile Devices – Substantial assurance Software licencing – Moderate assurance

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Operational/service audits				
Communities Housing Property Housing Operations Public Sector Housing and Communities Support	Housing capital, welfare reform and safeguarding feature on the strategic risk register	<p>Safeguarding: is not a focus just within Communities but to ensure there is a joined up Council approach to protecting vulnerable children and adults.</p> <p>Leaseholders – Section 20 and major works: Building on the 17/18 planned maintenance and major works audit; examine the process for home ownership and leaseholders.</p> <p>Access to housing (combining homelessness and allocations) Will consider the impact of the new Homelessness Reduction Act and use of the Council's Flexible Homelessness Support Grant</p>	<p>Safeguarding: There is an overarching safeguarding policy, backed up by individual procedures; key officers are aware of their safeguarding responsibilities and have received appropriate training. Relevant multi-agency working is in place supported by robust vetting checks for staff and there are effective systems in place for reporting safeguarding concerns.</p> <p>Leaseholders: This audit was replaced with an audit on Right To Buy at the request of the then Director of Communities to allow time for the new leaseholder service charge module to be implemented and embedded.</p> <p>Right To Buy (RTB): The Council has a variety of controls in place to ensure RTB applications are processed in accordance with legislative requirements and Council procedures; and that only bona fide RTB applications are successful. The process to ensure income from RTB sales is correct and collected promptly is also working as intended.</p> <p>Access to housing (homelessness): Following Audit and Governance Committee approval this audit now forms part of the 2019/20 Audit Plan.</p>	<p>Safeguarding – Substantial assurance</p> <p>Right to Buy – Substantial assurance</p>

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Neighbourhoods Neighbourhood Services Technical Services Forward Planning & Economic Development	Local Plan and Economic Development features on the strategic risk register.	<p>Off street parking: Will ensure the new off-street parking arrangements are working in the best interest of the Council.</p> <p>Economic Development: The economic development review will examine the Council's approach to this, ensuring there is a joined up approach in achieving the Council's objectives, both internally and externally.</p> <p>North Weald Airfield: An 'establishment' audit to ensure key Council policy, processes and processes are being followed being remote from the Civic Offices. In 20/21 examine plans/proposals regarding the commercial viability of NWA.</p>	<p>Off street car parking: Appropriate governance arrangements are in place to oversee the contract and a robust process for monitoring the Key Performance Indicators set out in the contract. Penalties, where applicable, are calculated in accordance with the agreement. The Partnership Board should meet six-monthly to identify and address any issues promptly. Off street parking income is identified and reconciled; variances need to be reported to the Parking Team to resolve discrepancies. Off street parking enforcement complies with Council policies and procedures.</p> <p>Economic Development: The Council's Economic Development Strategy is aligned with the Corporate Plan and recognises the value of working in partnership to further its economic aims. An annual operational work plan for the Economic Development Team needs to be developed to help focus on priorities and measure progress.</p> <p>North Weald Airfield (NWA): Effective governance is in place regarding the management, health and safety and security of the facilities. However, landing fees are not charged for tenants who exceed their annual runway movements nor are the tenants being restricted from undertaking additional flights. NWA is also used without a runway licence by an increasing number of non-NWA based aircraft and visitors. Fees are not being collected for such usage and no facility exists to allow fees to be collected.</p>	Off street car parking – Moderate assurance Economic Development – Substantial assurance North Weald Airfield – Moderate assurance

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Governance				
Governance & Performance Management (see earlier for Performance Management)	Risk of corporate priorities not being met should these service areas fail to deliver.	Planning applications: Look at the end to end process, including the decision making process by Officers S106 agreements and income: Will consider the role of Members in the approval process. Equality Impact Assessments: consider the use of Equality Impact Assessments within decision making, ensuring all decisions have a completed and evidence based assessment.	Planning applications: There are appropriate policies and procedures in place regarding planning applications, which are validated on receipt. Procedures provide for a formal consultation process to take place prior to a decision being made; which are made in line with defined roles and delegated powers. Section 106 agreements: An infrastructure strategy is currently being produced, which includes Section 106 Agreements. Section 106 Agreements are held on a database; and there is timely monitoring and reporting to ensure terms of the original agreement are met. There are adequate audit trails to ensure funds are collected and used as per agreements; and trigger points are monitored as developments proceed. Equality Impact Assessments: The Council has formed appropriate structures for developing equality and diversity initiatives to help ensure it complies with the Equality Act 2010 and that it improves access to its services for certain disadvantaged groups. The Equality Working Group (or an equivalent forum) needs to be re-introduced so that the Council has a forum that 'champions' equality and diversity issues and to proactively monitor the potential equality impact of its policy decisions and develop appropriate improvement actions.	Planning applications – Substantial assurance Section 106 – Substantial assurance Equality Impact Assessments – Moderate assurance
Legal Services				
Development Management				

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Resources Human Resources (HR) Benefits and Revenues (both covered under KFC audits) Accountancy ICT & Facilities Management (IT audits covered elsewhere)	Finance – income features on the strategic risk register. Risk of corporate priorities not being met should these service areas fail to deliver.	HR – starters, movers and leavers: Will be based on analytical review as detailed under the VfM section. New debt management system: Internal audit will continue to provide advice and guidance as a new debtors system is sourced and implemented.	HR – starters, movers, leavers: Starters, movers and leavers are actioned promptly by HR on receipt of the relevant completed form. Some forms were completed by managers who do not have the correct level of authority. A review of delegated authorities across the Council, which is currently underway, and introduction of the iTrent recruitment module will ensure these can only be submitted by the authorised reporting managers. iTrent processes ensure that employee details are fully completed before adding an employee to the payroll. New debt management system: Internal Audit meets periodically with the relevant Service Director and manager to gauge progress with this project.	HR: starter, leavers, movers – Substantial assurance
Follow Up Audits Review of progress against recommendations on the tracker.	Tracker process ensures risks identified in audits have been managed to an acceptable level.	Includes specific follow up audits especially where Limited assurance previously given. Includes maintenance of the recommendation tracker.	Implementation of all recommendations continues to be scrutinised as part of the tracker process. Recommendations made in previous reports are routinely followed up when the audit is next undertaken, for example council house building, commercial rents and creditors. The Chief Internal Audit continues to meet regularly with key officers to ensure steady progress is being made regarding the recommendations made in the 2017/18 Townmead audit.	Completed