

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Corporate Manager – Internal Audit	Report Number: JAC/17/12
To: Joint Audit and Standards Committee	Date of meeting: 13 November 2017

INTERIM INTERNAL AUDIT REPORT 2017/18

1. Purpose of Report

- 1.1 The purpose of this report is to inform Councillors of the work undertaken within Internal Audit for the first part of 2017/18 and provides Councillors with a review of the variety and scope of projects and corporate activities which are supported through the work of the team.

2. Recommendation

- 2.1 That the contents of this report, supported by Appendix A, be noted.

3. Financial Implications

- 3.1 There are no direct financial implications arising from this report. All Internal Audit recommendations must be considered in terms of their cost effectiveness.

4. Legal Implications

- 4.1 There are no direct legal implications arising from this report.

5. Risk Management

- 5.1 This report is not linked with any of the Council's Significant Business Risks. The key risk, however, is set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Internal controls within each Council may not be efficient and effective. As a result each Council may not identify any significant weakness that could impact on the achievement of their aims and/or lead to fraud, financial loss or inefficiency.	Unlikely	Bad	Councillors receive and approve the internal audit work programme and other reports on internal controls throughout the year. The work programme is based on an assessment of risk for each system or operational area.

6. Consultations

- 6.1 The 2017/18 Internal Audit Plan was approved by the Joint Audit and Standards Committee on 13 March 2017 (Paper JAC100), having previously been endorsed by the S151 Officer and the Senior Leadership Team.
- 6.2 During preparation this report has been shared with both Chairs of the Joint Audit and Standards Committee; both Council's Leaders; the Section 151 Officer; and the Assistant Director, Law and Governance and Monitoring Officer.

7. Equality Analysis

- 7.1 There are no equality implications with this report.

8. Shared Service / Partnership Implications

- 8.1 The overall approach has been to develop a single shared model for internal audit delivery and management for both Councils.
- 8.2 The Internal Audit delivery builds on past joint working facilitating the integration of the service with the aim of reducing costs and increasing capacity and resilience. It enables both Councils to be in a position to improve service delivery through advocating, supporting and reviewing system processes and outcomes.

9. Links to Joint Strategic Plan

- 9.1 The delivery of a comprehensive Internal Audit service supports the Council objectives, in particular:

An enabled and efficient organisation – The right people are doing the right things, in the right way, at the right time, for the right reasons.

However, the internal audit coverage is designed to support all five of the Council's strategic themes.

10. Key Information

- 10.1 Requirement of Internal Audit - Public Sector Internal Audit Standards (PSIAS)

The PSIAS require the Corporate Manager – Internal Audit to report periodically to senior management and this Committee on Internal Audit's performance relative to its Internal Audit Plan including significant risk exposures and control issues where relevant, fraud risks and governance issues.

As part of the preparation for the 2017/18 Internal Audit Plan, auditors engaged with senior management to identify their view of the coming year's risks linked to the Joint Strategic Plan and Delivery Programme, and to gather and map management assurance across the Councils' functions. (Details are contained in the 2017/18 Internal Audit Plan - 13th March 2017, Paper JAC100).

- 10.2 As the Councils' Delivery Programme continues and re-shapes and transform its services the demand on Internal Audit's services to provide assurance, support and guidance on a diverse range of activities continues. The Corporate Manager – Internal Audit monitors requests, with a risk based approach, for the re-allocation of Internal Audit resources from the approved 2017/18 Internal Audit Plan.

This Plan has had to be further reviewed subsequent to the loss of a full time member of the Internal Audit Team. The Corporate Manager – Internal Audit and the Councils’ S151 Officer consider that the temporary realignment of resources will not detrimentally impact on the overall audit opinion on the Councils’ control environment provided by the Corporate Manager – Internal Audit for the present period, although a watchful eye will be maintained.

- 10.3 Full audits conducted are split into two types, Fundamental and non-Fundamental (Risk Audit) reviews. Historically, Fundamental reviews had been conducted in the latter half of the financial year to meet with External Audit testing requirements. These audits are planned to be materially completed by the end of 2017, primarily to assist the Finance team in their preparation for punctual closing of the 2017/18 Accounts.
- 10.4 This year all of the planned Internal Audit work has been associated with the Councils’ five strategic themes and the attached report, Appendix A, provides a summary of the work undertaken to date, by theme. This work will contribute to the 2017/18 overall Internal Audit opinion on the Councils’ control environment provided by the Corporate Manager – Internal Audit, as required by the Accounts and Audit (England) Regulations 2015.

11. Appendices

Title	Location
Appendix A - Overview of Internal Audit Work	Attached

12. Background Documents

- 12.1 There are no further documents.

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Appendix A

Overview of Internal Audit Work 2017/18

1. Introduction

The work completed by Internal Audit for the first six months of the Financial Year 2017/18 (up to 30th September 2017), and progress made towards achieving the Internal Audit Plan for the year, is reported here to the Joint Audit and Standards Committee.

2. Internal Audit Activity

As well as conducting audit reviews Internal Audit had significant involvement within the period in a variety of different Council activities/issues, which included:

Section Reference:

- 3 Council Governance**
- 4 Risk Management**
- 5 Probity**
- 6 Audits conducted**
 - 6.1 Assets and investment**
 - 6.2 Business growth and increased productivity**
 - 6.3 Community capacity building and engagement**
 - 6.4 Housing delivery**
 - 6.5 An enabled and efficient organisation**
- 7 Business support activities**

3 Council Governance

3.1 The Corporate Manager–Internal Audit continues as a lead in the Information Governance management across the Councils, as an attendee of the Information Governance Group. An aim is to outline an information governance framework that ensures both Councils treat information as a valuable asset, maintain compliance with relevant UK and European Union legislation, for example the Data Protection Act 1998 (DPA) and meet other governance requirements. The DPA will be replaced on 25 May 2018 by the Information Governance General Data Protection Regulation (GDPR). An audit review of the Councils' ability to comply with the requirements of the GDPR has been undertaken, and is summarised in section 6.5.1 below.

3.2 Annual Governance Statement (AGS)

Internal Audit has led on the production of the AGS which was completed again as at the end of the financial year 2016/17, presented to this Committee on 15 May 2017 (Paper JAC105), alongside an Assurance Mapping exercise across the Councils designed to identify gaps in good practice and aid the 2017/18 Internal Audit planning process. The outcome of the planning was reported to this Committee on 13th March 2017 (Paper JAC100).

3.3 All Together Programme Board

The Corporate Manager – Internal Audit attends in the capacity of the Assurance Manager.

3.4 Health and Safety Working Group

The Corporate Manager – Internal Audit is called to attend this meeting at appropriate times to provide, and ensure, a robust process exists for risk identification and information gathering.

3.5 Statutory Officers Working Group

The Corporate Manager – Internal Audit attends this meeting when required, should Governance matters arise that require appropriate professional determination.

3.6 Deputy Monitoring Officer

The Corporate Manager - Internal Audit was appointed to the role of Deputy Monitoring Officer for the Councils, with the specific duty to ensure that the Councils, their officers, and Elected Councillors, maintain the highest standards of conduct in all they do, pursuant to Section 5 of the Local Government and Housing Act 1989, as amended by Schedule 5 paragraph 24 of the Local Government Act 2000. A number of cases have been dealt with since the appointment.

4 Risk Management

4.1 Internal Audit continues to maintain and facilitate development of the Significant Risk register with Councillors and Senior Management. As a living document Internal Audit regularly review the content with management. The register was reported to the May 2017 meeting of the JASC. (15th May 2017 Paper JAC106) this has been subject to further review and refinement during the present period and will be presented to Cabinet Committees in November 2017.

4.2 The Internal Audit team have arranged a 'Reputational Risk' workshop to be held in November 2017 and key senior officers are attending. This aims to give a greater understanding to one of the many kinds of risk areas the Councils are exposed to and how best to manage this.

4.3 Internal Audit continues work to embed risk and support officers when completing risks in Committee Reports which are subject to Internal Audit sign off in addition to legal and finance.

4.4 To ensure risk is at the forefront of decision making, Internal Audit have a presence on a number of working groups for large areas work e.g. Commercial Delivery. Guidance and challenge in these areas help to ensure a robust decision making process.

5 Probity

5.1 The data requirements and data specifications for the 2016/17 National Fraud Initiative (NFI) exercise have now been completed and successfully uploaded using the NFI's secure electronic upload facility.

The release of matches of information across all the contributors data is managed on a risk based approach by the system users, supported by Internal Audit. The system users access their data from the NFI and can investigate, in conjunction with the matched partner / contributor, to evaluate the potential fraud indicated by the match.

- 5.2 Full details of the anti-fraud and corruption work undertaken during the year is reported annually to this Committee in a report entitled 'Managing the Risk of Fraud and Corruption. The last report was for 2016/17 and presented on 13th March 2017 (Paper JAC99).
- 5.3 The Councils' Protection of Financial Crime Policy has been revised and updated (to reflect the amendments by the Serious Crime Act 2015 and the Public Contracts Regulations 2015) and published on the Councils' intranet, 'Connect'. These changes are insignificant and have no impact on the content of the policy.

6 Audits conducted

The audits conducted have previously been reported as either 'Fundamental / Core Financial Systems Audit' or 'Risk Audit' reviews. In line with the current year's Internal Audit Plan this format has been replaced by reporting associated with all five of the Council's strategic themes. The audits are summarised below.

6.1 Assets and investment

"Improved achievement of strategic priorities and greater income generation through use of new and existing assets ('Profit for Purpose')".

- 6.1.1 The 'Treasury' and 'Receivables' audits are presently undergoing field work and testing.
- 6.1.2 No other Internal Audit work has yet been undertaken in this Strategic theme. There are a number of pieces of Audit work in plan for the second half of the financial year, namely: Local Taxation; Capital Accounting; Payroll; and Investments.

6.2 Business growth and increased productivity

"Encourage development of employment sites and other business growth, of the right type in the right places and encourage investment in skills and innovation in order to increase productivity".

6.2.1 Fees and Charges

The Final report has been issued. Whilst there were no council service areas identified where statutory products and services could be developed a number of financial controls were identified as 'Ineffective'. Findings include:

The allocation of costs to cost centres (both direct and indirect) are undertaken in a general manner. This poor allocation means it is not possible to accurately determine appropriate costs against income generation, and therefore no contribution or profit can be determined by product. This makes effective comparison with external organisations' levels of service meaningless, as too many assumptions would need to be made on the available data.

The auditee response included “The findings, whilst not unknown by Finance due to Business Partner meetings, provided confirmation of identified weaknesses within the budgetary control environment which need further strengthening. A more robust challenge by Finance Business partners and Head of Finance will commence.”

6.2.2 The ‘Procurement’ and ‘Payables’ audits are planned for the second half of the year.

6.3 Community capacity building and engagement

“All communities are thriving, growing, healthy, active and self-sufficient”.

6.3.1 Safeguarding.

This Audit is presently at Draft report stage, with the initial discussion of findings sent to Managers on 9th October.

6.3.2 Health and Safety

This Audit was initially to review the Councils’ management of the new regulations and inspections regarding Hand Arm Vibration Syndrome. (HAVS). However, it has been determined that as actions by management are presently being implemented an audit will not need to be done until 18/19. Allowance will be made for this in next year’s Audit Plan.

6.3.3 There is Audit work in plan for the second half of the financial year, including: Neighbourhood Development Plans (NDP / NHP); Community Infrastructure Levy (CIL); and Redesign an integrated Planning Service.

6.4 Housing delivery

“More of the right type of homes, of the right tenure in the right place”.

6.4.1 Open Housing IT developments.

With the large number of IT system tasks that urgently need to be completed to improve the Capita Open Housing system Internal Audit have engaged with relevant Officers to monitor the governance and controls exercised over the work. This has included attending workshops and meetings, and gaining access to project documentation. The appointment of a project manager to manage the developments should improve the control environment. This audit engagement continues.

6.4.2 Asbestos Management

This review is included in the 2017/18 Internal Audit Plan, and initial steps were taken to commence the review. However, management engaged external consultants 4i Solutions to undertake a review of housing compliance, and their brief is relevant to Health and Safety. As a consequence this audit was held over awaiting the preliminary outcome. It has been determined that the Audit this year be spent on undertaking a review of H&S risk assessments across the 2 Councils.

6.4.3 Disabled Facilities Grants

A declaration, required for each of Babergh and Mid Suffolk, regarding the use of Disabled Facilities Grant's has been completed and submitted to the Department for Communities and Local Government. An audit review of applications for appropriateness and compliance was made prior to the approval of the return and 'signed off' by the Corporate Manager – Internal Audit.

6.4.4 The remaining planned audits will be undertaken in the second half of the year. These include Housing Benefits; Housing Rents; Supported Living; and Fixed and Flexible Tenancies.

6.5 **An enabled and efficient organisation**

"The right people are doing the right things, in the right way, at the right time, for the right reasons and are able to prove it".

6.5.1 Information Governance General Data Protection Regulation (GDPR).

GDPR will come into force in the UK on 25 May 2018 and will replace the Data Protection Act 1988. The new regulations are an evolution of existing UK data protection law and aim to harmonise data protection laws across the European Union and put individuals in control of their data.

From the discussion and review of the Councils' readiness to implement the regulations we can conclude that we appear to be 'behind the curve' in our ability to meet the May 2018 deadline.

Whilst this review was not reported in standard Internal Audit format the report found that majority of 'Steps to compliance' are 'Not implemented or planned'. The Councils appear under staffed and require resource in completing, what can be anticipated to be, a large body of work up to May 2018 and which will need to be passed to a competent role to maintain and sustain after implementation.

Subsequent to the Audit Report the SLT have approved a Project Manager to assist / support implementation of GDPR.

6.5.2 Scanning.

Internal Audit has been providing advice and assistance to Officers establishing scanning protocols and guidance once staff relocate to Endeavour House. Such protocols include handling of sensitive post, tender documents, etc, in line with good practice. No formal report will arise from this.

6.5.3 Capita Financial Systems Upgrade

This upgrade was undertaken in conjunction with Capita support, who host the BMSDC system and platform. The Audit identified no material risks to service delivery, cash receipting and payment mechanisms, as there is no impact expected on the processes outside of the Integra Systems. This upgrade is one applying to the 'front end' only. Data Tables and interfaces should not be impacted by this realignment. The upgrade was successfully launched on 28th June 2017, and the Audit review reported the controls as Effective.

6.5.4 Shared Revenues Partnership

Ipswich Borough Council Audit Team undertake review of Shared Revenues Partnership Key Controls, which provides the Corporate Manager – Internal Audit with assurance on the controls exercised over income processing. They have now issued their report for 2016/17, which has an overall opinion of 'Good'. *(All controls are being applied consistently and effectively. This means that all the control areas in the audit are being properly managed and the associated risks are being mitigated.)* The report stated that no areas of weakness and/or non-compliance with existing controls were identified and therefore no recommendations have been made.

6.5.5 Electoral Expenses

This is presently at Draft stage, with the initial discussion of findings sent to Managers on 11th October. This work was not a planned audit and will not carry an Internal Audit Opinion.

6.5.6 Termination Letters

This is presently at Draft stage, with the initial discussion of findings sent to Managers on 4th October. This work was not a planned audit and will not carry an Internal Audit Opinion.

6.5.7 General Ledger

This Audit is underway, with the initial brief being agreed with the Auditee staff. Initial testing has commenced.

7 Business support activities

7.1 Internal Audit aim to retain close working relationships with colleagues, and have provided support and advice on proposed system and control developments, enhancements and changes, including budgetary control; systems administration; project and asset management; procurement; and health and safety.

7.2 Business Continuity

Internal Audit has worked with business managers to update the Councils' and individual departmental business continuity plans in preparation for the move to Endeavour House. These are now completed. The current plans for Needham Market and Hadleigh Offices, along with the future plan for Endeavour House, are published on Connect. The Plans are "corporate" documents which give guidance to senior managers tasked with leading recovery activities and prioritising resources in the event of an incident.

Another Business Continuity desk top exercise will take place in the New Year, testing the Endeavour House plan in practice.

8. Resources

The Internal Audit team has lost a full time resource and one part-time member of staff has temporarily increased hours by 11 hours per week until March 2018. This net reduction in staff necessitated a review and reassessment of the agreed 2017/18 Internal Audit Plan. (The revised plan of work is attached in the Annex). The Corporate Manager – Internal Audit and the Councils' S151 Officer consider that the temporary realignment of resources will not detrimentally impact on the overall Internal Audit opinion on the Councils' control environment provided by the Corporate Manager – Internal Audit for the present period. The Corporate Manager – Internal Audit maintains a watchful eye on the delivery of the plan to ensure that coverage and the consequent annual audit opinion are not compromised. In total 126 Internal Audit days have been removed from the original 2017/18 Internal Audit plan.

The impact on the Internal Audit work planned for 2017/18 is shown below, with more detail in the Annex:

	Planned days
Original Internal Audit days in the plan agreed by JASC in March 2017:	775
Planned Internal Audit days completely withdrawn from plan:	(51)
Planned Internal Audit days reduced from original plan:	(75)
Revised Internal Audit days available to the plan:	649

9 Professional Practice

9.1 Membership of audit bodies

It is important to keep abreast of best professional practice. Internal Audit has strong links with audit colleagues both within Suffolk and nationally and are members of the Suffolk Working Audit Partnership (SWAPs) and the Midland Audit Group.

9.2 Public Sector Internal Audit Standards (PSIAS)

The team have fully reviewed their working practices to ensure that our Internal Audit documents and processes comply with, and can be evidenced to, the PSIAS. This has resulted in a refining of the Internal Audit Charter Strategy; Internal Audit Services Manual; Internal Audit Risk Log; Quality Assurance and Improvement Programme; procedure notes; and working papers. These documents have been published on the Councils' intranet, 'Connect'.

10 Conclusions

The Corporate Manager – Internal Audit considers that there are no additional audit related issues that currently need to be brought to the attention of this Committee.

ANNEX 1

Audits removed from Internal Audit Plan for 2017/18			
All audits to include control environment, good practice and transformational aspects			
Audit	Days	Key areas	Intended benefits to the Council
Assets and investment – Improved achievement of strategic priorities and greater income generation through use of new and existing assets ('Profit for Purpose')			
	0		
Business growth and increased productivity – Encourage development of employment sites and other business growth, of the right type in the right places and encourage investment in skills and innovation in order to increase productivity			
Miscellaneous income streams: cf: Tourist Information Centres and Waste collection centres	6	Procedures in operation to manage, billing, fees and collecting payments - linked to finance systems for recording and collection.	R Verify that all income is appropriately recognised, collected and reported.
	6	Business growth and increased productivity planned days	
Community capacity building and engagement – All communities are thriving, growing, healthy, active and self-sufficient			
Neighbourhood Development Plans (NDP / NHP)	15	Localism- creation of mini plans - Review the process re decisions, overviews, external examinations, Council exposure - key risks Governance, Legal and Financial.	R Support the development of suitable housing in the area, the development of businesses and the operational development of the Council through challenge of the identification and management of risks and procedures associated with the changes.
	15	Community capacity building and engagement planned days	
Housing delivery – More of the right type of homes, of the right tenure in the right place			
Fixed term /flexible tenancies	10	Introduction of fixed term/flexible tenancies which the government are proposing. Not too much is known at this time regarding how much discretion we as an authority will have and how much will be governed by legislation. There will be a knock on effect on the tenancy agreements which will need redesigning involving consultation with Legal plus the IT system could need changing	D
	10	Housing delivery planned days	
An enabled and efficient organisation – The right people are doing the right things, in the right way, at the right time, for the right reasons and are able to prove it			
Operational financial indicators	15	Balanced scorecard? Review of the MI and associated challenge arising from the finance engagement model and it's support to Service Managers.	R Outcomes can include an improved control environment, enhanced management information and streamlined processes thereby improving organisational efficiency.
Budgetary Control	5	Review & critique of finance implementation of new module and associated processes.	D In addition these reviews provide governance assurance to the S151 Officer and Senior Management.
	20	An enabled and efficient organisation planned days	
Other Audit Activity			
	0		
			F Fundamental Audit (Annual requirement to support s151 & External Audit)
	51	Planned work descoped due to unforeseen resource shortages.	R Risk Audit (high risk but scope to reprioritise to reflect changing requirements)
			D Delivery Programme - Project Support
			M Management and review (Risk management, monitoring, fraud)

Audits with reduced time in the Internal Audit Plan for 2017/18

All audits to include control environment, good practice and transformational aspects

Audit	Days removed	Key areas	Intended benefits to the Council
Assets and investment – Improved achievement of strategic priorities and greater income generation through use of new and existing assets ('Profit for Purpose')			
Capital Accounting	-4	Capital program and asset management, including changes in Housing Management Accounting.	F
Income Collection / Cash & Bank - new cash module in General Ledger	-5	Payment methods, channel shift, unsolicited transactions, Payment Card Industry Data Security Standards.	F
Treasury Management	-4	Corporate Cash Management and links to funding of business strategy.	F
Investment and Development Strategy effectiveness and efficiency	-20	The Asset Strategy will ensure that the use of the Councils' property portfolio is maximised, demonstrating that assets are performing well in terms of support for service delivery, generating income, and are as efficient as possible in terms of outgoings; and land and surplus buildings are used to support strategic priorities. Also inc CIF	D
	-33	Assets and investment	
Business growth and increased productivity – Encourage development of employment sites and other business growth, of the right type in the right places and encourage investment in skills and innovation in order to increase productivity			
	0	Business growth and increased productivity	
Community capacity building and engagement – All communities are thriving, growing, healthy, active and self-sufficient			
Safeguarding & vulnerable adults - S11 reporting.	-4	S11 reporting to Safeguarding board. Assurance audit re best practice, reporting processes, staff awareness and understanding.	R
	-4	Community capacity building and engagement planned days	
Housing delivery – More of the right type of homes, of the right tenure in the right place			
Supported living	-9	Areas of Housing, Asset Management, HRA to consider and discuss in detail with Managers.	R
Asbestos management	-3	Review asbestos information given to BMBS (Babergh & MS building services???) and external contractors when emergency/out of hours repairs are required	R
	-12	Housing delivery	

An enabled and efficient organisation – The right people are doing the right things, in the right way, at the right time, for the right reasons and are able to prove it			
IT	-5	ICO Healthcheck for the General Data Protection Regulation	F
General Ledger	-3	Integrity of financial information, management of the system. Migrated system and new modules.	F
Health and Safety	-3	Compliance and substantive testing of Health and Safety processes and records to confirm compliance with Council Policy. Audit will work alongside the Health and Safety Officer to support and challenge new initiatives.	R
Business Continuity	-8	Produce and maintain a joint BCP, Annually refresh critical missions, facilitate update of action cards, training and awareness. Venue change specific issues.	R
	-19	An enabled and efficient organisation	
Other Audit Activity			
Follow Ups	-7	Implementation of audit recommendations deemed as high risk.	R
	-7	Other Audit Activity	
			F Fundamental Audit (Annual requirement to support s151 & External Audit)
			R Risk Audit (high risk but scope to reprioritise to reflect changing requirements)
Reduction of Planned Days	-75	Reduction in Planned work due to unforeseen resource shortages.	D Delivery Programme - Project Support
			M Management and review (Risk management, monitoring, fraud)

Revised Internal Audit Plan for 2017/18

All audits to include control environment, good practice and transformational aspects

Audit	Days	Key areas	Intended benefits to the Council
Assets and investment – Improved achievement of strategic priorities and greater income generation through use of new and existing assets ('Profit for Purpose')			
Capital Accounting	9	Capital program and asset management, including changes in Housing Management Accounting.	F
Local Taxation (covering Council Tax & NDR)	6	Shared Revenue Partnership feeder systems and reconciliations.	F
Receivables / Debtors	10	Income management, inc. debt recovery - how fed back to business by finance and managed by service areas. <i>Inc VAT analysis on income.</i>	F
Payroll/HR	9	Starters; Leavers; and variation to pay. - Link into SCC as new payroll providers.	F
Income Collection / Cash & Bank - new cash module in General Ledger	11	Payment methods, channel shift, unsolicited transactions, Payment Card Industry Data Security Standards.	F
Treasury Management	7	Corporate Cash Management and links to funding of business strategy.	F
Investment and Development Strategy effectiveness and efficiency	10	The Asset Strategy will ensure that the use of the Councils' property portfolio is maximised, demonstrating that assets are performing well in terms of support for service delivery, generating income, and are as efficient as possible in terms of outgoings; and land and surplus buildings are used to support strategic priorities. Also inc CIF	D
	62	Assets and investment planned days	
Business growth and increased productivity – Encourage development of employment sites and other business growth, of the right type in the right places and encourage investment in skills and innovation in order to increase productivity			
Procurement	20	Compliance testing against new procurement framework / guidance. <i>Inc VAT on spend.</i>	F
Analysis and review of business principles in setting Fees and Charges	15	Setting of Fees and charges strategy, review of regulatory constraints, market challenges and consider if pricing set to recover costs or results in subsidy of the service.	R
Payables / Creditors	11	Transparency, cash flow, fraud (links to procurement).	F
	46	Business growth and increased productivity planned days	
Community capacity building and engagement – All communities are thriving, growing, healthy, active and self-sufficient			
Redesign an integrated Planning Service	6	Provide control assurances around: data load validation.	D
Community Infrastructure Levy (CIL)	10	Review significant governance and efficiency issues. Administration of CIL funds to enable sustainable growth, including Expenditure and Governance models.	R
Safeguarding & vulnerable adults - S11 reporting.	11	S11 reporting to Safeguarding board. Assurance audit re best practice, reporting processes, staff awareness and understanding.	R
	27	Community capacity building and engagement planned days	

Housing delivery – More of the right type of homes, of the right tenure in the right place			
Housing Rents	10	Income collection, rent setting. - effectiveness of new IT systems & processes.	F Covering statutory work in conjunction with External Audit. The beneficial outcomes can include an improved control environment, enhanced management information and streamlined processes thereby improving organisational efficiency.
Housing Benefits	6	Shared Revenue Partnership feeder systems and reconciliations.	F In addition these reviews provide governance assurance to the S151 Officer and Senior Management. Fraud may be identified as a consequence of this work.
Disabled facilities grant	3	<i>New - time taken from Payables & Cap A/c - Analysis for SCC Grant application to Govt on grants awarded by BMSDC</i>	R
Supported living	5	Areas of Housing, Asset Management, HRA to consider and discuss in detail with Managers.	R Ensure that the changes safeguard assets and incomes to the Council to support the drive to an enabled and efficient organisation, funding business development and support to the community. Advise on making the system fit for purpose in supporting smooth business growth and housing development across the districts.
Asbestos management	7	Review asbestos information given to BMBS (Babergh & MS building services???) and external contractors when emergency/out of hours repairs are required	R
Open Housing Phase 2	10	Look at management of project, esp integrity of controls to commitment of monies (procurement), budget management etc Links to procurement and finance systems .	D Safeguarding the assets and incomes to the Council to support the drive to an enabled and efficient organisation, funding business development and support to the community. Advise on making the system fit for purpose in supporting smooth business growth and housing development across the districts.
	41	Housing delivery planned days	
An enabled and efficient organisation – The right people are doing the right things, in the right way, at the right time, for the right reasons and are able to prove it			
Make use of leading edge business systems	10	Information Governance - Sensitive and personal information relating the Councils' businesses is handled in a confidential and secure manner.	R Gain assurance of the veracity of the processes and procedures implemented across the business to ensure that the right people are doing the right things, in the right way, at the right time, for the right reasons and are able to prove it.
IT	6	ICO Healthcheck for the General Data Protection Regulation	F In addition these reviews provide governance assurance to the S151 Officer and Senior Management
General Ledger	8	Integrity of financial information, management of the system. Migrated system and new modules.	F
Health and Safety	22	Compliance and substantive testing of Health and Safety processes and records to confirm compliance with Council Policy. Audit will work alongside the Health and Safety Officer to support and challenge new initiatives.	R Provide comfort to Management that the Councils' are fulfilling their legislative duties and that the welfare of staff is being met. Determine the Council's resilience of and compliance with legislation.
Payment card procedural changes Allpay project post review.	3	Effective receipting, banking and financial recording of cash payments -link to Income Audit.	D
Integra Migration	5	Upgrade of the system to Integra 2 and implementation of the cash system module.	D
Business Continuity	52	Produce and maintain a joint BCP, Annually refresh critical missions, facilitate update of action cards, training and awareness. Venue change specific issues.	R This work supports the governance and effective operation of the organisation and can aid with the security of assets. It will further provide information and feedback to Members and Officers, as well as ensuring the Councils meet the reporting requirements of statutory and Local Government bodies.
	106	An enabled and efficient organisation planned days	

Other Audit Activity												
Work in progress from previous year	5	Finalisation of any outstanding work. Liaison with External Auditors over review of internal audit work.	R	Covering statutory work in conjunction with External Audit. The beneficial outcomes can include an improved control environment, enhanced management information and streamlined processes thereby improving organisational efficiency								
Follow Ups	2	Implementation of audit recommendations deemed as high risk.	R									
Requests for support from management	24	Unplanned investigations assessing the impact on controls and processes through specific events.	M	Provide comfort to Management that the Council's are fulfilling their legislative and fiduciary duties, and determine the Council's resilience of and compliance with legislation.								
Deputy Monitoring Role	100	Work to be undertaken by the Corporate Manager - Internal Audit.	M									
Annual Governance Statement	20	Collation, interpretation, challenge and presentation of management opinion of control assurance and governance across the Councils.	M									
Anti-Fraud & Corruption work including the National Fraud Initiative (NFI)	50	Proactive: Money Laundering, Policy reviews, Advice and guidance - awareness, Staff training. NFI Data monitoring. Reactive: Investigations. Data matching (statutory requirement).	R									
Management	35	Service delivery (Cttee reports / Planning)	M	Supports the governance and effective operation of the organisation and can aid with the security of assets. It will further provide information and feedback to Members and Officers, as well as ensuring the Councils meet the reporting requirements of statutory and Local Government bodies.								
5 Yr Quality review -(new one off)	11	Self assessment review of audit delivery. - add in review of WPs, Audit Manual and Charter.	M									
Risk Management	120	Committee report cycle – Executive and Strategy half yearly and JASC annually. Review and challenge of Significant Risk Register. Training, advice and guidance to members & officers. Annual review joint Risk Management Strategy.	M									
	367	Other Audit Activity planned days										
Days in plan	649	<table border="1"> <tr> <td>F</td> <td>Fundamental Audit (Annual requirement to support s151 & External Audit)</td> </tr> <tr> <td>R</td> <td>Risk Audit (high risk but scope to reprioritise to reflect changing requirements)</td> </tr> <tr> <td>D</td> <td>Delivery Programme - Project Support</td> </tr> <tr> <td>M</td> <td>Management and review (Risk management, monitoring, fraud)</td> </tr> </table>			F	Fundamental Audit (Annual requirement to support s151 & External Audit)	R	Risk Audit (high risk but scope to reprioritise to reflect changing requirements)	D	Delivery Programme - Project Support	M	Management and review (Risk management, monitoring, fraud)
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