

AUDIT & STANDARDS COMMITTEE
Wednesday 3 March 2021 at 7.30 pm
Zoom - Online

This meeting is a virtual meeting which is being hosted on Zoom. Councillors and registered public participants will be sent access details nearer the date of the meeting.

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AGENDA

1. Apologies for Absence and Substitutions
2. Declarations of Interest

Councillors' declarations of interest (if any) in relation to any matters on the agenda.
3. Minutes (Pages 2 - 5)

Minutes of the meeting held on 25 November 2020.
4. Matters Arising
5. Written Questions and Petitions
6. Non Contentious Business
7. Internal Audit Strategy and Plan 2021/22 (Pages 6 - 29)
8. Period 11 Internal Audit Activity Report 2020/21 (Pages 30 - 49)
9. Committee Work Plan (Pages 50 - 51)
10. References from other Committees

Any references arising from meetings held after the publication of this agenda will be circulated separately.
11. Matters of Urgent Business

To deal with any matters of an urgent nature.

**MINUTES OF THE AUDIT & STANDARDS COMMITTEE
HELD ON**

25 November 2020

7.30 - 9.30 pm

PRESENT

Committee Members

Councillor Stefan Mullard (Chair)
Councillor Shannon Jezzard (Vice-Chair)
Councillor Simon Carter
Councillor Jean Clark
Councillor Jodi Dunne
Councillor Michael Hardware
Councillor Maggie Hulcoop
Councillor Eddie Johnson
Councillor Russell Perrin

Officers

Emma Crouch, Corporate Support Officer
Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive
Natalie Hook, Senior Auditor
Sarah Marsh, Internal Audit Manager
Adam Rees, Governance Support Officer

Also Present

Steve Bladen, BDO
Francesca Palmer, BDO

26. **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Frances Mason.

27. **DECLARATIONS OF INTEREST**

Councillor Simon Carter declared a pecuniary interest as a remunerated Council appointed Director of HTS (Property and Environment) Ltd.

28. **MINUTES**

RESOLVED that the minutes of the meeting held on 27 August 2020 are agreed as a correct record and signed by the Chair.

29. **MATTERS ARISING**

None.

30. **WRITTEN QUESTIONS AND PETITIONS**

None.

31. **NON CONTENTIOUS BUSINESS**

None.

32. **COMMITTEE WORK PLAN**

The Committee received its current work plan.

RESOLVED that the work plan is noted.

It was agreed that items 8-11 on the agenda would be taken en-bloc.

33. **ANNUAL AUDIT LETTER 2018/19**

This item was considered as part of item 11, External Auditors Audit Results Report 2018/19 (ISA 260).

34. **AUDITED ANNUAL ACCOUNTS 2018/19**

The Committee considered a report on the audited annual accounts for 2018/19, which recommended that final sign off of the accounts was delegated to the Deputy to the Chief Executive and Head of Finance and Property Services in consultation with the Chair of the Audit and Standards Committee.

Councillor Simon Carter proposed that the matter was deferred for two months to ensure that the correct numbers were included in the returns, that a summary of the changes to CIES could be provided to the Committee, clarification on the outstanding issues could be given, and a timetable of the improvements could be provided. This was seconded by Councillor Russell Perrin.

Upon being put to the vote, the motion for deferral was lost.

RESOLVED that:

A Upon consideration of the Auditor's Results Report earlier in the agenda, the Committee approved the latest 2018/19 Statement of Accounts presented as Appendix 1 to this report.

B The Committee delegated the approval of the final 2018/19 Statement of Accounts, should the latest accounts need amendment following the completion of audit work, to the Deputy to the Chief Executive and Head of Finance and Property Services in consultation with the Chair of the Audit and Standards Committee.

35. **MANAGEMENT LETTER OF REPRESENTATION**

This item was considered as part of item 11, External Auditors Audit Results Report 2018/19 (ISA 260).

36. **EXTERNAL AUDITORS AUDIT RESULTS REPORT 2018/19 (ISA 260)**

The Committee received a report which set out the External Auditor's draft opinion on their audit of the Council's financial statements.

It was noted that a number of material errors remained, along with three immaterial errors that combined to make a material error. There were also some deficiencies with the Council's internal control processes. These errors were of a technical nature.

The Committee expressed their disappointment with the late provision of papers for this item, as well as the Audited Annual Accounts 2018/19, as well as the difficulty in reading the appendix due its font size.

RESOLVED that:

A Reviewed the Audit Results Report alongside the approval of the Statement of Accounts reported to this meeting.

B Notes the Value for Money assessment of the Council's use of resources as contained within the attached report from the Council's appointed Auditor.

37. **EXTERNAL AUDITOR - AUDIT PLAN 2019/20**

The Committee received the External Auditor's audit plan for the 2019/20 accounts.

RESOLVED that the Audit Plan for 2019/20 was noted.

38. **PERIOD 8 INTERNAL AUDIT ACTIVITY REPORT**

The Committee received a report on the activity of the Internal Audit service.

RESOLVED that the Committee reviewed the outcomes of the work of the Internal Audit service for the period September to November 2020.

39. **RISK MANAGEMENT PROGRESS REPORT**

The Committee received a report which set out revisions to the Council's strategic risk register.

RESOLVED that:

- A** The Committee noted Senior Management Board revisions to Strategic Risks and risk scores as at 30 September 2020 as set out in Appendix 1 to the report.
- B** The Committee noted variations between residual risk scores and agreed risk appetite threshold levels together with current and future risk controls.

40. **REFERENCES FROM OTHER COMMITTEES**

None.

41. **MATTERS OF URGENT BUSINESS**

None.

CHAIR OF THE COMMITTEE

REPORT TO: **AUDIT & STANDARDS COMMITTEE**
DATE: **3 MARCH 2021**
TITLE: **INTERNAL AUDIT STRATEGY AND PLAN 2021/22**
LEAD OFFICER: **SARAH MARSH, INTERNAL AUDIT MANAGER**
(01279) 446884

RECOMMENDED that:

- A** The effectiveness and contribution of the Internal Audit Strategy and Plan within the Council's assurance framework be considered.
- B** The Committee approves the Audit Strategy and Plan for 2021/22.

INTRODUCTION

1. The Internal Audit function provides independent and objective assurance and consulting services to Harlow District Council. This Internal Audit strategy summarises the key principles for Internal Audit for the period 2021/22, with some longer term aims. The strategy supports the Audit Plan which sets out the work of the Internal Audit service for the year.
2. Internal Audit supports and contributes to the achievement of the Council's corporate priorities, principles and values as set in their 2021 Corporate Plan. These have been taken into account whilst developing the Internal Audit Strategy and Plan.
 - a) Council priorities
 - i) Resilience and recovery
 - ii) More and better housing
 - iii) Regeneration and a thriving economy
 - iv) Wellbeing and social inclusion
 - v) A clean and green environment
 - vi) Successful children and young people
 - b) Council principles
 - i) Being the Community Leader
 - ii) Sound resource management
 - iii) Equalities and Fairness

PURPOSE

3. The purpose of the Internal Audit Strategy and Plan is to document the Internal Audit team's approach to:
 - a) Provide independent and objective assurance to councillors and senior management on the effectiveness of the Council's internal control framework.
 - b) Ensure the recognition of the key risks the Council faces in meeting its objectives when determining and allocating the use of Internal Audit resources.
 - c) Add value and support to senior management in providing effective control, whilst identifying opportunities for improving value for money.
 - d) Deliver an Internal Audit Service that is compliant with the requirements of the Public Sector Internal Audit Standards.

Internal Audit Mission and Core Principles

4. The Global Institute of Internal Auditors has developed an International Professional Practices Framework (IPPF) for auditors. The IPPF includes a mission statement and ten core principles which continue to be adopted by the Shared Internal Audit Service, and are listed below:
 - a) Mission: To enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight.
 - b) Core principles:
 - i) Demonstrates integrity
 - ii) Demonstrates competence and due professional care
 - iii) Is objective and free from undue influence (independent)
 - iv) Aligns with the strategies, objectives, and risks of the organisation
 - v) Is appropriately positioned and adequately resourced
 - vi) Demonstrates quality and continuous improvement
 - vii) Communicates effectively

- viii) Provides risk-based assurance
- ix) Is insightful, proactive, and future-focused
- x) Promotes organisational improvement

The Internal Audit Approach

5. While Internal Audit provides assurance through completing a programme of planned work the service is also flexible and responsive to changing and emerging issues. This was especially true during 2020/21 due to Covid-19.
6. Some audit work is delivered on a consultancy basis, contributing advice on risk and controls, for example ex-officio attendance at project meetings or undertaking a specific investigation of a newly identified issue.
7. The purpose, authority and responsibility of Internal Audit are formally defined in the Internal Audit Charter, which was approved at the August 2020 Audit and Standards Committee.

Key Deliverables

8. The key deliverables for the Internal Audit service during 2021/22 are:
 - a) Delivery of the Audit Plan - the Internal Audit Manager will ensure there is sufficient audit coverage in order to provide an annual Internal Audit opinion and report, which feeds into the Council's Annual Governance Statement.
 - b) Integrated approach to assurance – Providing ongoing assurance to management on the integrity, effectiveness and operation of the Council's internal control, governance and risk management processes. Working with other assurance providers including External Audit to prevent duplication of work.
 - c) Management commitment - Ensure agreed management responses to audit recommendations made are implemented thereby improving the overall control framework.
 - d) Continually develop our approach – To develop, improve and deliver a quality assurance and improvement programme for the service, including working closely with the Audit and Standards Committee and senior management.

- e) Business insight - working closely with Officers, Members and services to establish greater relevance to what matter most to the Council by contemplating current and future key risks and challenges.

Protocol for Audit Reviews

9. We will conduct each review in line with our standard audit methodology which is aligned to the Public Sector Internal Audit Standards.
10. For each audit a Lead Auditee will be identified who will be involved in scoping to ensure the audit is appropriately focused on key risks areas, providing assurance and maximising added value. Terms of reference will be produced for each audit to ensure the scope, objectives and approach are agreed with the appropriate Head of Service.
11. Following fieldwork a draft Internal Audit report will be issued for discussion with the appropriate levels of management which is normally set out in the terms of reference.
12. Final reports will be issued after the agreement of draft reports and will contain completed management actions plans identifying those responsible for their implementation and appropriate timescales.
13. Agreed actions or recommendations will be followed up through the Internal Audit tracker process. All high priority recommendations and any passing their original implementation date are reported to the Audit and Standards Committee.

Quality Assurance and Performance Management

14. The Internal Audit Quality Assurance and Improvement Programme ensures the work of the Internal Audit function conforms with the Public Sector Internal Audit Standards (PSIAS), operates in an efficient and effective manner and is adding value and continually improving Internal Audit activity. This is achieved through internal and external assessment, monitoring, and reporting on performance.
15. In November 2016 the Internal Audit function underwent an External Quality Assessment (EQA), which, in line with the PSIAS, must be conducted every five years by a qualified, independent assessor from outside the Council. The EQA, which covered all three Councils in the shared service, confirmed the Internal Audit service complied with the Public Sector Internal Audit Standards. Annual internal review confirms this compliance still holds true. The next EQA will take place during

2021/22 and the results will be communicated to the Audit and Standards Committee.

16. To achieve planned coverage, deliver a high standard of customer care and demonstrate effectiveness of the service, performance targets have been established based on best professional practice.

17. The following service performance targets will be reported on in 2021/22:

Table One - Service Performance Targets for 2021/22

Aspect of Service	Performance Indicator	Target
Audit Plan	<ul style="list-style-type: none"> Achievement of the annual Plan 	<ul style="list-style-type: none"> Sufficient Internal Audit work in order that the Internal Audit Manager can give their annual opinion.
Internal Audit processes	<ul style="list-style-type: none"> Issue of draft report after closing meeting Issue of final report after draft report is agreed 	<ul style="list-style-type: none"> 10 working days 5 working days
Effective management engagement	<ul style="list-style-type: none"> Management responses within 10 working days of draft report Implementation of agreed audit recommendations 	<ul style="list-style-type: none"> 10 working days Within agreed timescales
Continuous Professional Development (CPD)	<ul style="list-style-type: none"> Auditors maintain and improve their knowledge, skills and other competencies through directed and self directed activities 	<ul style="list-style-type: none"> 40 hours of CPD activity per auditor

Developing the Internal Audit Plan

18. The methodology for developing the Internal Audit Plan is focused on the quantification of the risks associated with the Council's objectives in consultation with key Officers. This process also takes into account:

- a) Knowledge and experience accumulated in Internal Audit, including the results of previous audits.
- b) A review of audit themes against the Corporate Risk Register and Council priorities.

- c) The work of other assurance providers both internally and externally.
- d) The external environment including economic climate, Brexit implications, government initiatives such as welfare reform and changes in funding.
- e) Harmonisation of themes with Borough of Broxbourne Council and Epping Forest District Council to enable benchmarking and sharing of good practice.

19. It is imperative there is good alignment between the Internal Audit Plan and the risks facing each Council. Through this, Internal Audit's work will help inform each Council's risk management framework, enabling greater recognition of key mitigating controls and other sources of assurances available. Where possible the risks identified in the Audit Plan, as set out in Appendix A to the report, have been taken directly from the Council's Risk Register.

20. In addition, an assurance map has been produced, as set out in Appendix B to the report, that provides a structured way to identify the main sources and types of risk assurances in the Council. This demonstrates sufficient Internal Audit work has either been undertaken or has been planned for the Council's key risks.

21. The Internal Audit Plan is indicative and changes may need to be made as the risk profile and priorities of the Council change, especially in light of Covid-19 and recovery plans. This will be achieved by ongoing review and amendment in consultation with relevant officers and any significant changes brought to the Audit and Standards Committee for approval.

22. It is important for Internal Audit to plan ahead and allocate resources over the medium term but still maintain a flexibility of approach. This is achieved by documenting known risks over a three year period so that the three year plan includes an indication of proposed audit work for years two and three, based on current known risks if circumstances remain unchanged. However, as new risks emerge audit resources over the medium term will be focused accordingly.

23. The sections of the Internal Audit Plan include:

- a) Corporate Framework – key risk areas including those defined in the Council's strategic risk register.

- b) Strategic themes – including cross cutting issues some of which will be incorporated within operational audits or will be undertaken through consultative work.
- c) Service areas – operational audits determined on a risk assessment and/or business priorities.

Priority Areas for 2021/22

24. Having regard for the current risk profile of the Council the following have been identified as priority areas for Internal Audit work for 2021/22. These may not be audits in themselves, but cross cutting themes that will be fundamental to the scope of Internal Audit work undertaken.

- a) Risk Management – Internal Audit has a key role in promoting effective risk management and through its work continues to assist the Head of Finance in ensuring a robust risk management framework across the Council. The focus this year is assisting in strengthening the Council’s approach to service/business planning and risk management.
- b) Information Governance and Management -Internal Audit continues to work with the Council’s Data Protection Officer, helping to ensure and maintain compliance across the Council.
- c) Fraud – Internal Audit continues to support the Council’s anti-fraud and corruption policy and is pivotal in ensuring a joined up approach the Council.
- d) Value for Money (VfM) – A focus on VfM is reflected in Internal Audit’s work mainly as a cross cutting theme within operational audits, benchmarking where appropriate with Epping Forest and Broxbourne. Audits will consider how the Council makes the best use of resources and assets, the balance of cost and performance and meeting the needs of our residents; and providing challenge on whether services could be provided in a different way.
- e) Audit Planning, Strategy and Audit and Standards Committee Support – Internal Audit continue to work with the Audit and Standards Committee in developing its role in relation to best practice and to contribute to effective corporate governance of the Council.

25. At the operational level the key priorities of Internal Audit work in 2021/22 include:

- a) Harlow Trading Services (HTS) – Internal Audit continues to actively seek assurances on the adequacy of internal control, governance and the management of risks regarding HTS from the Council’s perspective.
- b) Key Financial Systems – the effectiveness of controls and management of risks with the core financial systems and processes remains a part of Internal Audit work. Audits have been scheduled on a cyclical basis so not all key financial systems will be undertaken each year.
- c) Project management – Internal Audit will seek assurances that key projects are being effectively delivered and lessons learnt built into the Council’s project methodology.

Resources

26. Internal Audit continues to be a formal shared service between Harlow, Epping Forest and Broxbourne Councils, with Broxbourne being the host authority and employer of the shared Internal Audit staff. A Shared Services Board meets periodically to oversee the implementation and delivery of the Internal Audit function, monitor common issues or themes arising from audits, assess quality and performance and consider major changes to the service. The Board comprises of the Section 151 Officers from each authority as well as the Internal Audit Manager.

27. The Internal Audit function consists of the Internal Audit Manager (1.0 f.t.e), three Senior Auditors (2.5 f.t.e) and three Auditors (each 1.0 f.t.e). There are no vacancies and two of the auditors were taken on after successful completion of their apprenticeships. Everyone in the team works across all three authorities. In addition, the service has a call off contract with an external provider of Internal Audit to undertake more specialist audits when required.

Audit Plan

28. The Audit Plan as detailed in Appendix A requires 370 days (compared to 342 for last year) as summarised in the table below:

Table Two – Summary of Audit Plan

Thematic Area	Audit days 2021/22
Assurance framework including governance, fraud, value for money and risk management	53
Cross cutting/themed audits	93
Operational audits	112
Follow Up work	30
Audit Committee Support including training	12
Advice, other engagement with the business and contingency	70
TOTAL	370

IMPLICATIONS

Environment and Planning (includes Sustainability)

None specific.

Author: Andrew Bramidge, Head of Environment and Planning

Finance (includes ICT and Properties and Facilities)

Failure to achieve the audit plan may lead to a lack of assurance that internal controls are effective and risks properly managed.

Author: Simon Freeman, Head of Finance and Deputy to the Chief Executive

Housing

None specific.

Author: Andrew Murray, Head of Housing

Community Wellbeing (includes Equalities and Social Inclusion)

None specific.

Author: Jane Greer, Head of Community Wellbeing

Governance (includes HR)

The responsibilities, duties and obligations of Internal Audit are set out in the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (2017) against which activity should be measured and determined.

Author: Simon Hill, Head of Governance

Appendices

Appendix A – Internal Audit 3 Year Plan 2021/22 - 2023/24

Appendix B – Harlow Risk Based Assurance Map

Background Papers

Public Sector Internal Audit Standards

Internal Audit Charter

Internal Audit resource plan and risk assessment

Glossary of terms/abbreviations used

EQA – External Quality Assessment

f.t.e – full time equivalent

HTS- Harlow Trading Services

IPPF – International Professional Practices Framework

PSIAS – Public Sector Internal Audit Standards

VfM – Value for Money

Audit Area and Context	Corporate Risks	2021/22	2022/23	2023/24	Outline/Scope of work for 2021/22 <i>(to be finalised when the work is scoped)</i>
Corporate Framework					
<p>Governance & Probity</p> <p>The corporate priorities are underpinned by the following principles: being the community leader, sound resource, management and equalities and fairness</p>	<p>The Council's governance framework underpins everything it does; therefore, robust arrangements are key in managing this risk</p> <p>CR08- Equality and Diversity</p>	<p>HTS Group – governance arrangements (last audit 18/19)</p>	<p>HTS (Housing and Regeneration)</p>	<p>Member expenses and allowances</p>	<p>Review of effectiveness of governance and oversight arrangements including during periods of significant change. The 2021/22 audit will examine the governance arrangements for the HTS Group, including HTS (Housing and Regeneration) Ltd which started trading October 2020. The following year will examine the operational arrangements of HTS (Housing and Regeneration) and its interaction with the Council.</p>
<p>Fraud</p> <p>Proactive fraud work</p>	<p>CR01 (Financial resilience) - any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery.</p>	<p>✓</p>	<p>✓</p>	<p>✓</p>	<p>Member of the Corporate Fraud Group. Oversee the delivery of the Council's anti-fraud and corruption action plan.</p> <p>Potential for fraud considered in all audits. Co-ordinate National Fraud Initiative data matching process.</p>
<p>Assurance Framework incl. Risk Management and support to Audit Committee</p>	<p>Risk in achieving corporate priorities as these are</p>	<p>✓</p>	<p>✓</p>	<p>✓</p>	<p>Co-ordination of year-end assurance reporting, including the Annual Governance Statement. Member of the Corporate Governance Group. Assistance provided to Head of</p>

Audit Area and Context	Corporate Risks	2021/22	2022/23	2023/24	Outline/Scope of work for 2021/22 <i>(to be finalised when the work is scoped)</i>
	underpinned by the following principles : being the community leader, sound resource, management and equalities and fairness				Finance and the Insurance and Risk Manager in enhancing and embedding the Council's risk management framework. Support and training to the Audit Committee.
Information Management and Governance - Data protection and security. Data sets, owners and protocols. Governance and data sharing. Training and awareness	Breach of data protection and other legislation related risks which could lead to significant fines and reputational damage.	Data breach management Active support to the officer Information Governance Group (IGG)	Data sharing with third parties (last audit 16/17) Information Governance Group	HTS General Data Protection Regulations compliance (last audit 19/20) Freedom of Information and Subject Access requests Information Governance Group	Continue to assist the Council's Data Protection Officer (DPO) by providing assurance in targeted areas, assisting in the review of data breach management arrangements and actively supporting IGG's action plan. Member of the Corporate Information Governance Group.

Audit Area and Context	Corporate Risks	2021/22	2022/23	2023/24	Outline/Scope of work for 2021/22 (to be finalised when the work is scoped)
Performance Management: Data integrity & quality (collection, collation, analysis and validation). Use of performance targets	Risk of non-achievement of corporate priorities and lack of transparency.	Performance Management framework	✓	✓	The suitability and integrity of Performance Indicators (PIs) is considered within operational audits. In addition, during 2021/22 time has been set aside for Internal Audit to assist Policy and Performance in their review of the performance management framework. In subsequent years, Internal Audit will audit various aspects of the framework depending on risk profiles.
Value for Money (VfM) - Guiding principle of the Council	VfM helps the Council manage its corporate risk CR01 on financial resilience	Facility management – see later on	Spend analysis (analytical review) – use of contractors	✓	Value for money and use of benchmarking is considered in all audits. In 2022/23 Internal Audit will use data analytics to help identify where savings and rationalisation of suppliers could be made starting with contractors.
Joint Working, Shared Services, Outsourcing, subsidiary companies and significant Partnerships	On corporate risk register: CR06 - Lack of resources and capacity, Council and key partners.	Harlow Trading Services Waste contract – see later on	Harlow Trading Services	Harlow Trading Services Gilston and Harlow Garden Town (last audit 2019/20)	The theme here is to ensure joint arrangements are working in the best interests for the Council with appropriate governance/monitoring arrangements in place. Focus each year will be on HTS through the operational audits detailed throughout the plan being the Council's most significant partnership.
Projects Business case,	Poor project management increases the	Post implementation review of the new	Town centre projects and use of government	IT projects and role of IT	Time set aside each year to examine a sample of projects. This will include for 2021/22 ensuring lessons

Audit Area and Context	Corporate Risks	2021/22	2022/23	2023/24	Outline/Scope of work for 2021/22 (to be finalised when the work is scoped)
project methodology, governance arrangements, contract management and viability	risk of projects not being delivered on time, to budget or does not meet the needs of the Council	HR system Council housebuilding programme	funding	Governance New housing IT system - progress check	learnt from the recent HR system implementation project are built into the Council's approach to project management and ensuring there is a joined up approach regarding the Council's house building programme. Future years will focus on other significant, longer term, projects.
Contingency	Annual provision for responsive work, special investigations and/or key/emerging risk areas	✓	✓	✓	Will take into account themes/issues coming out of the Annual Governance Statement.
Themed/cross cutting audits					
Income Streams Sound resource management is one of the corporate plan principles	To ensure financial resilience the Council needs to protect and maximise its income streams (CR01)	✓	See Council Tax and Business Rates under Key Financial Control audits Parking (last audit 15/16)	See Housing Rents under Key Financial Control audits Waste management - recycling income	Covid-19 has had a detrimental effect on the Council's income streams; hopefully 2021/22 will see recovery in most areas therefore no specific audit work is planned unless something comes up during the year
Procurement Themed audits could include-compliance, VfM, fraud, goods and	Risks include non-compliance with legislation, fraud, not achieving value for money, poor	Adherence to the Council's procurement strategy	Contract management and monitoring	Compliance with Contract Standing Orders	Not a specific audit in itself, instead in 2021/22 Internal Audit will ensure in relevant audits that officers are adhering to the Council's procurement strategy which was approved by Cabinet in July 2020.

Audit Area and Context	Corporate Risks	2021/22	2022/23	2023/24	Outline/Scope of work for 2021/22 (to be finalised when the work is scoped)
services. End to end processes (need, selection, appointment, contract management & exit strategies)	service delivery.				
Health & Safety	Risk of compromising the health and safety of individuals and non-compliance with H&S legislation leading to fines or imprisonment.	See housing section below - overview of H&S related inspections: gas, fire safety, electrical legionella, asbestos and lifts	Remote and home working	Staff H&S for those located in buildings away from the Civic Centre	The 2021/22 housing H&S inspection audit is the same audit described in the housing section later on in the Plan. Future H&S audits links with the Council's accommodation review to help ensure the wellbeing of staff not working out of the Civic offices.
Business Continuity Planning (BCP) and climate emergency response	CR11 Business resilience	Business Continuity (BC) planning (last audit 19/20)	Climate change strategy	Emergency Planning	During 2021/22 Internal Audit will retain oversight of the Council's Covid-19 recovery arrangements and follow up on the 2019/20 BC audit. In 2022/23 Internal Audit will ascertain the Council's progress against its climate change strategy ensuring there are robust governance and reporting arrangements in place to support it

Audit Area and Context	Corporate Risks	2021/22	2022/23	2023/24	Outline/Scope of work for 2021/22 <i>(to be finalised when the work is scoped)</i>
<p>Key Financial Controls (KFC)</p> <p>Four-year rolling programme of full system and key control audits (unless significant change in process/system or poor audit outcome)</p>	<p>CR01 (Financial resilience)</p>	<p>Housing Benefits (last audit 16/17)</p> <p>Payroll (last audit 16/17)</p>	<p>Council Tax and Business Rates (last audit 16/17)</p> <p>Debtors (last audit 16/17)</p> <p>Cash and banking (16/17)</p>	<p>Housing rents (last audit 18/19)</p> <p>General Ledger (last audit 17/18).</p>	<p>Rolling programme of key financial control (KFC) audits, therefore, some audits do not feature in this 3-year plan being fixed assets register, treasury management and creditors (Accounts Payable) as they were audited in 2020/21.</p> <p>The housing benefit audit is carried forward from 2020/21 as it was delayed due to Covid-19 related issues. The payroll audit follows implementation of the new HR system during 2020/21. The 2022/23 cash and banking audit will take into account the new Civica pay system</p>
<p>IT Audits: IT Governance, IT Regulation, Security/Privacy, Business Systems, 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. Opportunity for IT to be an enabler for delivering the Council's priorities</p>	<p>Cyber security (last audit 17/18)</p>	<p>IT Strategy</p>	<p>IT assets (last audit 18/19)</p> <p>IT Disaster Recovery (last audited 20/21)</p>	<p>A specialist IT Auditor will be brought in for more technical audits. In 2021/22 Internal Audit will assess the Council's cyber security framework especially for remote working. In 2022/23 Internal Audit will assess how future proof the Council's IT strategy is, and adequacy of the supporting action plan</p>

Audit Area and Context	Corporate Risks	2021/22	2022/23	2023/24	Outline/Scope of work for 2021/22 (to be finalised when the work is scoped)
Operational/service audits - Audits post 21/22 may change depending on the Council's risk profile					
Housing: Housing Management Property Services Housing Needs and Options Sheltered Housing Area Housing Home Ownership	CR03 - Lack of Suitable Housing Mix CR04 - Lack of adequate Council housing CR09 - Provision of repairs, maintenance, landscape and Streetscene services	Overview of H&S related inspections: gas, fire safety, electrical legionella, asbestos and lifts HTS Annual Service Charge	Planned maintenance and major works (last audit 2016/17) Housing loans including service and hardship loans	Voids management (last audit 2013/14) Allocations (last audit 2014/15)	Carried forward from 2020/21 the H&S inspection audit builds on audits undertaken in recent years on gas safety and asbestos to give a holistic view on this is being managed for the Council's housing properties. Also carried forward from 2020/21 the HTS Annual Service Charge audit will examine the £5.8M committed to HTS for various works including roofing, carpentry and decorating. And takes into account the outcomes of the recent HTS Best Value Review.
Community Wellbeing: Community Safety Community, Leisure and Culture, including the museum and Pets Corner Youth & Citizenship Emergency planning Regeneration incl	CR05 & CR10 - Inability to fulfil Community Wellbeing and Community Leadership roles CR07 - Ability to support children and family aspirations CR02 - The	Council house building programme (last audit 17/18)	Events Management (last audit 17/18) Town Centre improvements (see earlier project management section)	Community grants Harlow Museum Leah Manning centre	The audit of the Council house building programme is the same audit as identified in the earlier project management section

Audit Area and Context	Corporate Risks	2021/22	2022/23	2023/24	Outline/Scope of work for 2021/22 (to be finalised when the work is scoped)
Enterprise Zone	Harlow Offer CR06 - Lack of Resources and Capacity, Council and key partners				
Environment and Planning: Operations and, energy planning Planning & Building Control Environmental Health Licensing Streetscene Health and Safety	CR06 - Lack of Resources and Capacity, Council and key partners CR09- Provision of repairs, maintenance, landscape and Streetscene services	Waste – contract management	Development Management (and links to delivery of the Local Plan Houses of Multiple Occupancy (HMOs)	Licencing (last audit 16/17) Waste management (recycling element)	The waste contract audit coincides with the Council being three years into this contract.
Governance: Corporate & Governance Support Legal Services Electoral Services Human Resources Procurement & Relationship Policy & Performance	Risk of corporate priorities not being met should these service areas fail to deliver.	Payroll Service/business planning and risk management	HR - Staff performance management (including appraisal arrangements)	Staff absence (last audit 2017/18) Playhouse (last audit 19/20)	The 2021/22 payroll audit will assess the robustness of controls following introduction of the new HR system (iTrent) in 2020/21. Also, working in conjunction with the policy, performance and risk services Internal Audit will continue to help the Council develop its approach to service and business planning ensuring this is integrated with budget setting and risk management processes.

Audit Area and Context	Corporate Risks	2021/22	2022/23	2023/24	Outline/Scope of work for 2021/22 (to be finalised when the work is scoped)
Customer & Media Services Playhouse					
Finance: Revenues & Benefits (covered under KFC audits) ICT (covered elsewhere in the plan) Accountancy (see also KFC audits) Insurance Internal Audit Properties, facilities & projects Properties & estates	CR01 (Financial resilience)	Facility management – for staff and commercial properties	Non-housing property repairs and maintenance	Asset Management Strategy delivery	The 2021/22 facility management audit will examine how this service is provided to council buildings where Council staff are located as well as our commercial properties (including the science park), ensuring value for money can be demonstrated.
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 work especially where Limited assurance has previously been given. Includes maintaining the recommendation tracker, which is reported at each Audit and Standards Committee.

Appendix B: Risk based assurance map for Harlow to support the 2021/22 Internal Audit Plan

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
CR01	Financial resilience	18 (amber)	Medium Term Financial Strategy, budget setting and monthly monitoring processes. Supporting policy and procedures including Financial Regulations and Contract Standing Orders	Council approval Medium Term Financial Strategy, annual budget and regular monitoring of the financial position	External Audit issued an unqualified opinion on the 2018/19 financial statements with an unqualified opinion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources Internal Audit undertakes a rolling programme of key financial control audits for example fixed assets in 2020/21 (moderate assurance) and accounts payable is in progress
CR02	The Harlow Offer	13 (yellow)	Raft of activities and projects undertaken by dedicated Officers including town centre regeneration and Discover Harlow campaign	Town investment plan, Enterprise Zone delivery lead, Economic Development Strategy	2018/19 Economic Development audit (moderate assurance) Review of major projects factored into 2021/22 Internal Audit Plan

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
CR03	Lack of suitable housing numbers and mix of housing	14 (yellow)	Adoption of the Harlow Local Development Plan 2011-2033 December 2020 Delivery of the Harlow and Gilston Garden Town	Local Plan reporting to Cabinet with Council oversight The Managing Director and one Member sit on the Harlow and Gilston Garden Town Board.	Planning Inspectorate examination. 2019/20 Harlow and Gilston Garden Town audit (substantial assurance)
CR04	Lack of adequate housing	13 (yellow)	Raft of activities and projects undertaken by dedicated Officers Creation of Harlow Trading Services (Housing and Regeneration) company.	Housing Development plan. Modern Homes (Housing Investment) programme, Asset Management Strategy, Tenancy Strategy, Allocations Policy, Homelessness Strategy, Tenant and Leaseholder Engagement Strategy	2018/19 housing repairs audit (moderate assurance) Audits of HTS (Housing and Regeneration) planned for 2021/22 and 2022/23
CR05	Inability to fulfill Community Leadership role	13 (yellow)	Harlow Wellbeing Strategy, Safer Harlow Partnership Consultation process/community engagement regarding discretionary services	Oversight by the Head of Community Wellbeing, who sits on the Safer Harlow Partnership Board. Health and Wellbeing Strategy. Regeneration Strategy	2020/21 Equalities Act and use of impact assessments audit (limited assurance)
CR06	Lack of resources and capacity,	18 (orange)	Essex Waste Management Plan, Waste Collection	Shareholders Sub Committee oversees	2018/19 HTS strategic governance audit (substantial)

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
	Council and key partners		Contract, Street scene 'contract' with HTS, Landscapes 'contract' with HTS, Town Park regeneration project, NEPP (North Essex Parking Partnership).	HTS arrangements HTS Best Value Review reported to Council Council representatives sit on the North Essex Parking Partnership Board Quarterly Joint Performance Review Meetings (JPRM) and Operations Board.	assurance). 2019/20 parks and landscapes audit (moderate/limited assurance)
CR07	Ability to support children and family aspirations	13 (yellow)	Signposting for residents (often through ECC), partner agencies (statutory, voluntary, schools), promotion of and support to Harlow College and Anglia Ruskin University, Harlow Youth Council and Harlow School Readiness project and similar initiatives	Oversight by the Head of Community Wellbeing	2017/18 Sam's Place audit (moderate assurance). 2018/19 safeguarding audit (limited assurance)
CR08	Equality and Diversity	18 (amber)	Corporate Equalities Policy, Safeguarding Policies and Training, Equality training for all	Corporate Equalities Group Councillor champion for equality and	2020/21 Equalities Act and use of impact assessments audit (limited assurance).

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
			Officers and Councillors, Partnership working with the Health and Wellbeing Board, Procurement Strategy reflects values of 'fairness and equality', Men's Shed project 'time credit' scheme in conjunction with Essex County, Promotion of volunteering amongst Harlow's residents	diversity Head of Community Wellbeing sits on the Health and Wellbeing Board	2018/19 safeguarding audit (limited assurance)
CR09	Provision of repairs, maintenance, landscape and Streetscene services	14 (yellow)	Service Agreement. Contract wording and specifications confirm contractor requirements. HTS has regular reviews of Efficiency Plan and Risk Register.	Monthly performance reviews involving Portfolio holders. HTS risk register reviewed at each quarterly SMB/HTS meetings Shareholders Sub Committee oversees HTS arrangements. HTS Best Value Review completed and reported to Council.	2018/19 audits of HTS strategic governance audit (substantial assurance) and housing repairs (moderate assurance). 2019/20 parks and landscapes audit (moderate/limited assurance)
CR10	Inability to fulfil community	14 (yellow)	Climate emergency measures. Lobbying for new infrastructure	Championed by the Chief Executive and	Review of major projects factored into 2021/22 Internal Audit

Ref	Corporate risk	Risk rating (residual)	1st line of defence – delivering the risk and control environment	2nd line of defence – oversight and assurance functions	3rd line of defence – independent assurance and advice
	leadership role		(e.g. hospital and road network). Town centre improvements and funding. Town centre award.	Leader	Plan. Climate change strategy audit planned for 2022/23
CR11	Resilience and recovery	13 (yellow)	Emergency Planning, Business Continuity Plans including Disaster Recovery, Insurance Policies including Terrorism, Property maintenance plans, Engineering Inspection Contract, Statutory Testing of equipment, heating systems, electrical, Fire Risk Assessments, Cyber Security	Covid-19 Recovery Group Corporate Business Continuity Plan owned by SMB	2019/20 business continuity audit (moderate assurance) 2021/22 IT disaster recovery audit currently in progress

There is no reconciliation of ICT equipment purchases per Technology Forge (TF), which is the Property and Asset Management software used by the Properties and Facilities Team and forms the Corporate Fixed Assets Register, to the ICT Inventory/Asset Register. Whilst all capitalised items of ICT expenditure are recorded on Technology Forge, and therefore these are accurately recorded in the Council's financial statements, as confirmed during this review, to safeguard Council ICT assets, it is essential that items on TF can be traced to location and guardianship (users, including home use) and that ICT assets can be traced to their record on TF. Without this traceability there is no assurance that all ICT assets held by the Council could be located.

b) Equality Act and impact assessments (Limited assurance)

At a strategic level the Council demonstrates a commitment towards promoting equality through its goals in the corporate plan and a member champion for equality and diversity. The Council's Equality Policy on Inclusion and Diversity should be revised in line with best practice to underpin this and equalities information published annually in line with the Public Sector Equality Duty. There should be an 'equality champion' at Senior Management Board level to ensure there is buy-in across the Council.

An Equality Working Group (EWG) has been established to take equalities forward at an operational level. As a priority the EWG should establish objectives which fully support the Council's corporate equalities goals and develop an action plan to implement these. The action plan should be reported to the Corporate Governance Group to monitor progress and update the equality and diversity risk in the corporate risk register.

Equality impacts are taken into account during the development of some Council policies but there is no consistent or formal approach to considering and evidencing this across the Council. The Equality Working Group should develop a clear framework to ensure equality impacts are an integral part of the decision-making process. The procedure should then be communicated through mandatory tailored training to staff and members to ensure roles and responsibilities are clearly understood.

The Head of Governance, as the Equality Champion at Senior Management Board (SMB) has agreed the recommendations and progressing this through the EWG's action plan.

ONGOING AUDIT WORK

4. As the Council continues its Covid-19 recovery phase Internal Audit has:

- a) Continued liaising with the Revenue and Benefits Manager about post assurance business grant checks, sharing good practice from other councils and exploring the use of central government tools and other fraud related organisations (such as the National Anti-Fraud Network and Cifas, a not-for-profit fraud prevention membership organisation) to undertake these. Fraud

expertise from the Epping Forest Corporate Fraud Team has been obtained through the shared Internal Audit arrangements.

- b) Continued overseeing the project plan for implementation of the new HR system. The planned go-live date of December 2020 for the payroll module was successfully achieved, the project will now move on to phase two. Internal audit has facilitated discussions between key departments to ensure there is a holistic approach to the project.
- c) Coordinated the mandatory submission of data to the Cabinet Office for the National Fraud Initiative (NFI) data matching exercise, in liaison with Council Tax, Electoral Services, Licensing, Housing, Revenues and Benefits and Payroll. The review of matches is in progress.

RECOMMENDATION TRACKER

- 5. The Audit and Standards Committee receives details of all overdue recommendations, plus any high priority recommendations from final reports, regardless of whether they are overdue or not.
- 6. The current tracker, as set out in Appendix B to the report, contains 20 recommendations of which 17 have passed their due date. The high priority recommendations relate to three separate audits: former tenant arrears, parks and landscapes and Equality Act and impact assessments (with the last of these having only recently been completed). A formal follow up of the former tenant arrears is currently in progress and Internal Audit is in contact with Council and HTS officers regarding the parks and landscape recommendations.
- 7. A comparison with previous periods is outlined in the table below:

Table One – Recommendations Tracker Comparison

Recommendation Priority	Number (as at March 2021)	Number as (at November 2020)	Number (as at August 2020)	Number (as at June 2020)
High - not yet due	3	0	0	2
High - passed due date	3	2	2	0
Medium - passed due date	12	12	15	14
Low - passed due date	2	1	2	3
TOTAL	20	15	19	19

IMPLICATIONS

Environment and Planning (includes Sustainability)

None specific.

Author: Andrew Bramidge, Head of Environment and Planning

Finance (includes ICT and Properties and Facilities)

It is important that the organisation responds to and implements the recommendations flowing from the internal audit process in order to protect and improve the overall internal control environment of the Council.

Author: Simon Freeman, Head of Finance and Properties and Facilities

Housing

None specific.

Author: Andrew Murray, Head of Housing

Community Wellbeing (includes Regeneration, Equalities and Social Inclusion)

None specific.

Author: Jane Greer, Head of Community Wellbeing

Governance (includes HR)

Internal Audit provides a key element of assurance within the overall Governance framework within the Council and it is important that recommendations flowing from internal audit recommendations are acted upon and implemented within reasonable timescales if reliance on internal controls and procedures is to continue.

Author: Simon Hill, Head of Governance

Background Papers

Internal Audit Plan and Internal Audit monitoring reports

Appendices

Appendix A – Audit Plan Monitoring

Appendix B – Audit Recommendation Tracker

Glossary of terms/abbreviations used

EWG – Equality Working Group

NFI – National Fraud Initiative

TF – Technology Forge

**Appendix A - Audit Plan Monitoring 2020/21
March 2021**

	Risk Area	Plan Days	Status	Fieldwork started	Report issued to Management	Finalised	Opinion: Level of Assurance	High risk Recommendations	Medium risk recommendations	Low risk recommendations
Harlow and Gilston Garden Town	Corporate	12	Final report	■	■	■	Substantial	0	3	1
Data retention and disposals	Governance	12	Final report	■	■	■	Moderate	0	6	4
Key Financial Controls - Fixed Assets	Finance	12	Final report	■	■	■	Moderate	0	2	0
Parks and landscapes	Planning and Environment	15	Final report	■	■	■	Limited/Moderate	2	1	0
Equality Act and Impact Statements	Governance	10	Final report	■	■	■	Limited	2	4	2
Payroll (light touch)	Governance	7	In progress	■						
Accounts Payable	Finance	12	In progress	■						
Provision of IT services to HTS	Housing	8	In progress	■						
IT disaster recovery	Finance	10	In progress	■						
Capital projects programme	Finance	15	In progress	■						
HTS Best value review progress	Corporate	12	Scoping							
Planning and building control	Planning and Environment	12	Scoping							
Key Financial Controls - Treasury Management	Finance	10	Scoping							
Key Financial Controls - Housing Benefits	Finance	15	Deferred							
Housing - overview of H&S inspections	Housing	15	Deferred							
Not a specific audit										
Advice and guidance for the new HR system	Governance	3	In progress	■						
Business Continuity (and Covid-19 recovery)	Corporate	5	On going	■						
Financial Regulations and Contract Standing Orders - delegated authorities	Finance	10	Completed				Not an audit but a benchmarking exercise instead			
Totals		148		12	5	5		4	16	7
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c/f carried forward										

Internal Audit Recommendation Tracker (High and Overdue)

Appendix B

Last Updated: 19 February 2021

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
<p>Purchase Cards (2018/19) October 2018</p>	<p>3.1</p>	<p>Policies are required to clarify the Council's approach for:</p> <ul style="list-style-type: none"> the provision of hotel accommodation, the provision of employee uniform and subsistence and hotel allowance claims. 	<p>Medium</p>	<p>Policies related to allowances , including those referred to within this audit are being reviewed or drafted as a suite of documents which will be presented to SMB by 30/12/18</p>	<p>HR Manager/ Head of Governance</p>	<p>30/12/18</p>	<p>30/04/19 30/09/19 31/03/20 30/09/20 31/03/21 30/06/21</p>	<p>Mar 19: New Head of Governance commenced in January 2019. Draft completed for review of HoS and SMB, recommendation by HR Manager accepted by SMB to expand coverage of policy to include "business travel" and mileage rates within the policy. For appropriate consultation with SMB/TU before implementation.</p> <p>May 19: Instruction from SMB to include rates for allowances as part of the overall review committed to by organisation and for consultation, as appropriate with trade union.</p> <p>Oct 19: Continuing instruction from SMB being followed with regard to rates for allowances forming part of the overall review committed to by the organisation. For consultation, as appropriate with trade union. Consultation still ongoing.</p> <p>Feb 20: Expenses for mileage rates agreed in principle. Employee uniform to follow HMRC requirements. Decision to be taken to SMB.</p> <p>May 20/July 20: Expenses rate for mileage has been agreed with TU at HMRC rates, communication underway with employees. The provision of uniform and relevant</p>	<p>Overdue</p>

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Internal Audit Recommendation Tracker (High and Overdue)

Appendix B

Last Updated: 19 February 2021

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
36								<p>procurement if applicable under consideration.</p> <p>Oct 20: The current focus is on the new HR/payroll system implementation as it is due to go live 1st December, and therefore takes precedence. The new HR system is intending to pick up expenses from the new tax year (6 April 2021) and will have a policy to support this changeover. Expenses policy will need to take account of the new processes coming in phase 2 of the system implementation due in 2021. Subsistence cannot be claimed anymore (following the TU agreement – referenced last time) only reasonable expenses.</p> <p>Feb 21: The new HR system will pick up expenses from the new tax year (6 April 2021) and a policy will be brought forward to support this changeover. New expenses processes will come forward likewise.</p>	
	<p>Safeguarding 2018/19 February 2019</p>	3b	<p>The Safeguarding record/policy should be updated so that it is clear on what data should be kept, where and for what period, in line with GDPR and the Council’s retention policy.</p>	Medium	<p>This will be included in the next policy review/update.</p>	<p>Youth and Citizenship Manager, (Head of Community Wellbeing)</p>	01/01/21	01/04/21	<p>Feb 21: Delayed due to work pressures as a result of COVID-19.</p>

Internal Audit Recommendation Tracker (High and Overdue)

Appendix B

Last Updated: 19 February 2021

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
37 Complaints 2018/19 May 2019	1	Implement a mechanism whereby actions from the lessons learnt questionnaire are followed up. This could be achieved by SMB receiving a follow up action report.	Medium	A quarterly report is sent to SMB in regards to this.	Customer and Media Services Manager/ Head of Governance	30/06/19	31/03/20 31/12/20 01/10/21	<p>Oct 19: This has been happening since in a basic format since June 2019. It will give Heads of Service key trends but does require further development and this is likely to coincide with the action below.</p> <p>Feb 20: A report is still scheduled to go to SMB prior to 31 March 2020. This will outline a request to move to a two stage process and further work on a sustainable mechanism to learn from complaints.</p> <p>May 20/July 20/Oct 20: Report delayed due to Corona pandemic. At this stage it is not deemed urgent and therefore realistically would set new target of 31/12/20</p> <p>Feb 21: Not been progressed due to continued work being undertaken on Corona pandemic. Will be looked at end of Q2 2021 at the earliest.</p>	Overdue
	2	Consider moving to a two stage complaints process by presenting a paper to SMB (Senior Management Board) on this	Medium	This has been considered previously and will be raised again.	Customer and Media Services Manager/Head of Governance	30/06/19	31/03/20 31/12/20 01/10/21	<p>Oct 19: Although not progressed due to changes in service area, it has now been raised with Head of Governance with a view to take a report to SMB before 31/03/20</p> <p>Feb 20: A report is still scheduled to go to SMB prior to 31 March 2020. This will outline a request to move to a two stage process and further work</p>	Overdue

Internal Audit Recommendation Tracker (High and Overdue)

Appendix B

Last Updated: 19 February 2021

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
								<p>on a sustainable mechanism to learn from complaints.</p> <p>May 20/July 20/Oct 20: Report delayed due to Corona pandemic. At this stage it is not deemed urgent and therefore realistically would set new target of 31/12/20</p> <p>Feb 21: Not been progressed due to continued work being undertaken on Corona pandemic. Will be looked at end of Q2 2021 at the earliest.</p>	
<p>Responsive Housing Repairs 2018/19 August 2019</p>	<p>2(b)</p>	<p>Post inspections completed on more complex housing repairs should be formally documented and retained.</p>	<p>Medium</p>	<p>Agreed. Customer Satisfaction Surveys are currently sent out to tenants on a sample basis. The sample size will be increased to ensure that the quality of repairs works is completed to a satisfactory standard.</p> <p>Post inspections completed on complex repairs works will be formally documented and retained</p>	<p>HTS Operations Director and the Council's Housing Operations Manager</p>	<p>30/09/19</p>	<p>31/01/20 30/04/20 30/09/20 31/01/21 30/10/21</p>	<p>Oct 19: HTS carries out a 100% post inspection regime on all housing voids it completes (see enclosed handover forms to demonstrate this).</p> <p>There are ongoing discussions with HDC over who should be carrying out more detailed Post Inspections on completed Housing Repairs. Traditionally this has been carried out by Technical Services who transferred from HTS and now work for HDC. We will provide a further update once this is resolved.</p> <p>Feb 20: It has been agreed that HTS will carry out post inspections on repairs from 1st April 2020. These will be recorded formally.</p> <p>May and July 20: A response</p>	<p>Overdue</p>

Internal Audit Recommendation Tracker (High and Overdue)

Appendix B

Last Updated: 19 February 2021

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
								<p>will not be forwarded from HTS whilst they establish recovery under the current Coronavirus situation. This will be picked up as part of their recovery plans</p> <p>Oct 20: HTS (P&E) Ltd continue to establish recovery and aligned to recent Govt. restrictions (Tier 2 for Essex). This activity is recognised as a key quality control mechanism and is included in their implementation plan from learning the lessons from Covid 19 initial lockdown. This will be monitored through the shared operations group.</p> <p>Feb 21: HTS are still in the process of establishing their response/recovery processes following the third Covid-19 lock down ,Post Inspections currently suspended due to this and Government restrictions. HTS currently only providing an emergency plus repairs service</p>	
<p>Responsive Housing Repairs 2018/19 August 2019</p>	<p>3a and b</p>	<p>All repairs job priority time changes should be recorded, authorised and the reasons why they were changed documented. This information should be shared with the Council when KPI data is submitted.</p>	<p>Medium</p>	<p>Agreed. The constraints of the Callsys system makes it difficult provide an audit trail of job priority time changes. The Council's Housing Asset and Business Systems Manager and the HTS</p>	<p>Council's Housing Asset and Business Systems Manager and the HTS Commercial Director</p>	<p>30/04/20</p>	<p>30/09/20 31/01/21 30/10/21</p>	<p>July 20: HTS re-established the repairs service on 22nd June 2020. A response will not be forwarded from Housing whilst establishing recovery under the current Coronavirus situation.</p> <p>The SSC has requested a report back at the next Committee meeting. Covid-19 recovery is being established and this will</p>	<p>Overdue</p>

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Internal Audit Recommendation Tracker (High and Overdue)

Appendix B

Last Updated: 19 February 2021

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Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
		The reasons behind the housing repairs job priority times are allocated should be investigated to ensure that the appropriate timescales are given		Commercial Director will investigate if there approach to record job priority time changes.				mean the Council diary will be adapted and meeting dates realigned. Oct 20: HTS (P&E) Ltd continue to establish recovery and aligned to recent Govt. restrictions (Tier 2 for Essex). This activity is recognised as a key quality control mechanism and is included in their implementation plan from learning the lessons from Covid 19 initial lockdown. This will be monitored through the shared operations group. Feb 21: HTS P&E are continuing to establish their response/recovery processes and are undertaking emergency plus repairs activities. Service quality is being monitored through Joint Operational meetings and Housing Portfolio meetings.	
	3c	Repairs operatives working hours should be extended to increase efficiency and flexibility of the housing repairs service.					30/09/20 31/03/21	May 20: As above Oct 20: HTS has introduced this for heating repair staff and currently in negotiations with the other operatives. Feb 21: Delayed due to the pandemic and restricted working practices, HC have requested a timetable for implementation to align with resuming full service delivery .	Overdue

Internal Audit Recommendation Tracker (High and Overdue)

Appendix B

Last Updated: 19 February 2021

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
	3d	Performance improvements made as a result of changes to the housing repairs service should be demonstrated, monitored and reported as part of the HTS governance and scrutiny arrangements.					30/09/20 31/01/21 30/10/21	May 20: As above July 20: As above Feb 21: As above	Overdue
Conflicts of Interests and Gifts and Hospitality (Staff and Members) 2019/20 December 2019	2b	The roles and responsibilities in the process of declaring and monitoring conflicts of interest should be clearly defined within the Code of Conduct.	Medium	Agreed A review of the PPP process will be undertaken and updated to include conflicts of interests. This process is also to be added in one-to-ones. This process will be reviewed after a year of operation to see if it is possible to stream line the process by incorporating it into the new Payroll system.	Head of Governance, Human Resources Manager and Corporate, Democratic Services Manager in conjunction with Third Tier Managers	31/12/20	31/03/21	Feb 21: The Code of Conduct has been reviewed and requires Officer and Member approval from the Constitution working Group and Council, hopefully to be obtained by the end of March 2021.	Overdue

Internal Audit Recommendation Tracker (High and Overdue)

Appendix B

Last Updated: 19 February 2021

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
Harlow Playhouse overspends 2018/19 March 2020	1	Produce a report to SMB and Councillors to consider the direction of travel for the playhouse. To include consideration of the importance of the relationship with the Arts Council.	Medium	Business Plan has been produced and the process of getting the plan adopted has been included in the corporate plan as an objective of the coming municipal year.	Head of Governance	31/12/20	31/03/22	Feb 21: As a result of Covid-19, the 2020/21 milestones have moved to 2021/22 in line with the revised Governance business plan.	Overdue
Former Tenant Arrears 2019/20 April 2020	1	Former tenant debt needs to be proactively managed in accordance with the former tenant arrears policy with resources targeted in the following priority order: <ul style="list-style-type: none"> • new former tenant arrears (from the voids notifications) • recent former tenant debt (less than a year old) • historical debt between 1 and 5 years old. In March 2020 resources should be targeted at the £93,646.82 of 2014/2015 debt that is a risk of being uncollectable during 2020/21 through the time Limitation Act 1980. All these former tenants be contacted	High	An Orchard Business Objects report to be produced to breakdown the former tenant debt in to age category in line with recommended priority order. Rent Officers to prioritise former tenant recovery in line with the priority order recommended. These cases will be actioned once the current arrears recommendations are actioned. The total financial amount written off will be in line with our allocated bad debt provision for 2020/21.	Senior Housing Operations Manager - people.	01/06/20	31/12/20 31/03/21	July 20: Rent Officers during lock-down are actively working on the former tenant arrears. Under new Government guidance. Covid-19 recovery is being established and progress will be reviewed as part of the wider Business Plan priorities and action plans at Quarter 2 together with wider bad debt provisions reporting. Feb 21: Former Tenant debt is being pro-actively chased, with historic debt written off in line with agreed process and financial regulations.	Overdue

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Internal Audit Recommendation Tracker (High and Overdue)

Appendix B

Last Updated: 19 February 2021

Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
		and if there are no responses, they are passed to the tracing agency to maximise the opportunity for debt recovery before it becomes irrecoverable. On reputational and compassionate grounds any debt due to the death of a tenant in 2014/15 be excluded from this recovery project.							
<p>2</p> <p>Former Tenant Arrears 2019/20 April 2020</p>	2	<p>The Voids notification list be actioned weekly in all cases and either Rent Officers are asked to ensure they action their properties each week or an officer is designated with all Voids notifications.</p> <p>On a monthly basis the Senior Housing Operation Manager People receives a sample check on compliance to ensure void notifications have been actioned and followed up.</p>	High	<p>Circulation list for weekly void list to be amended to include Team Leaders to ensure circulation to all Rent Officers on a weekly basis.</p> <p>The monthly audit will be carried out by the rents Team Leader, who will sample 10% of the void accounts.</p>	Senior Housing Operations Manager - people.	27/04/20	<p>31/12/20 31/03/21</p>	<p>July 20: Rent Officers during lock-down continue to working on the former tenant arrears, under the new Government guidance. Covid-19 recovery is being established and this will be reviewed as part of the wider Business Plan priorities and action plans at Quarter 2 together with wider bad debt provisions reporting.</p> <p>Feb 21: Rent Officers are reviewing the weekly void list to ascertain whether accounts have any former tenant debt remaining, if so recovery action is started. The Team Leaders carries out an audit of this process on a monthly basis.</p>	Overdue

Internal Audit Recommendation Tracker (High and Overdue)

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Former Tenant Arrears 2019/20 April 2020	3	<p>If considered appropriate the £100 write-off limit for the Senior Housing Officer be formally approved by incorporation into the next update of Financial Regulations.</p> <p>The Former Tenants Arrears procedure note is updated to accurately reflect debt write off delegated authority arrangements and limits, if the £100 write off delegation is not approved.</p>	Medium	<p>Currently Investigating whether Financial Regulations can be updated in regards to authorised delegation. If authorised delegation can be updated, then the write off limit for the Senior Housing Operations Manager will be incorporated. If not, the Former Tenant Arrears Procedure in terms of authorised delegations for write off will be amended.</p>	Senior Housing Operations Manager – people.	31/08/20	31/12/20 31/03/21	<p>Oct 20: This recommendation will be formally followed up by Internal Audit and an update given in due course.</p> <p>Feb 21: The write off limits have not been amended to include Senior Housing Managers having authority to write off debts below £100. Therefore all debts off all amounts are now authorised by the Head of Service and other senior managers in line with the approved financial regulations.</p>	Overdue
Former Tenant Arrears 2019/20 April 2020	5	<p>As this review identified that all debt over six years old, is in effect irrecoverable it may be appropriate to monitor the former tenants' arrears levels against additional targets is 2020/21, specifically:</p> <ul style="list-style-type: none"> • A collectable net target (debt less than six years old) • Current year former tenant debt (being former tenant debt from 1st April 2020 - 	Medium	<p>Quarterly performance dashboard to be re-configured to separate recoverable and non-recoverable former tenant arrears, with aligning SMART targets.</p>	Senior Housing Operations Manager – People.	01/07/20	31/12/20 31/03/21	<p>July 20: Rent Officers are actively working on the former tenant arrears. Covid-19 recovery is being established and this will be reviewed as part of the wider Business Plan priorities and action plans at Quarter 2, together with wider bad debt provisions reporting.</p> <p>Feb 21: Officers are pro-actively writing off historic debt following a review of each case. The amount of debt written off will be in line with Housing's Bad debt provision, which will be fully</p>	Overdue

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		the target being the level to be below by the 31st March 2021).						utilised at the end of each financial year.	
Former Tenant Arrears 2019/20 April 2020	6	The Former Tenant Arrears policy is updated to reflect changes due to GDPR and also recommendations made within this report on former tenant arrears debt management.	Low	The Former Tenant Arrears Policy/ procedure to be reviewed and strengthened to reflect changes due to GDPR, and incorporating recommendations made on former tenant arrears management.	Senior Housing Operations Manager – people.	31/12/20	31/03/21	Feb 21: This is still outstanding but will be actioned within the next month.	Overdue
Corporate Health and Safety 2019/20 May 2020	3	Third Tier Managers be reminded to ensure that all risk assessments are carried out and reviewed at least annually thereafter. Further, the Health and Safety Team to co-ordinate this.	Medium	Responsibility for formal assessment and review of risk will be drawn to Third Tier Managers' attention at Third Tier Managers' Group	Environment & Licensing Manager and Head of Environment & Planning	30/09/20	31/11/20 31/03/21	Oct 20 and Feb21: The routine meeting cycle of Third Tier Managers' group has been affected by revised working practices adopted in response to the COVID-19 emergency. The Environment and Licensing Manager will write directly to Third Tier Managers to draw to their attention ongoing responsibility for assessment and review of risk.	Overdue
				Options to provide additional resources to reinstate annual logging in the H&S team of risk assessments by third tier managers will be identified and presented to the		30/09/20	31/03/21	Oct 20 and Feb21: Whilst additional staff resources to support the corporate Health and Safety function, policy advice and support for managers across the authority in in response to the COVID-19 emergency has been an overriding priority to which	Overdue

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				Head of Planning and Environment.				resources have been devoted. This resource allocation appears likely to continue to be necessary pending the resolution of the emergency. The position will be reviewed however before the close of the municipal year.	
Corporate Health and Safety 2019/20 May 2020	4	Third Tier Managers be reminded to ensure that all COSHH data sheets be reviewed and, where necessary, updated, with link to risk assessments as appropriate.	Low	Responsibility for obtaining retaining and reviewing and updating COSHH data sheets and linking them to risk assessments as appropriate will be drawn to Third Tier Managers' attention at Third Tier Managers' Group.	Environment & Licensing Manager and Head of Environment & Planning	30/09/20	31/11/20 31/03/21	Oct 20 and Feb 21: The routine meeting cycle of Third Tier Managers' group has been affected by revised working practices adopted in response to the COVID-19 emergency. The Environment and Licensing Manager will write directly to Third Tier Managers to draw to their attention ongoing responsibility to obtain maintain and take into account in risk assessment COSHH data sheets where relevant.	Overdue
Harlow Gilston Garden Town 2019/20 July 2020	3	A data sharing agreement should be drawn up to cover any personal or commercially sensitive data which may be shared between the councils as part of the Garden Town project.	Medium	A data sharing agreement will be developed and entered into by all the HGGT partners.	HGGT Director HGGT Programme Manager	31/12/20	31/03/21	Feb 21: HGGT legal advisors, Weightmans, have been instructed to develop a data sharing protocol for the HGGT. The most appropriate agreement is currently being evaluated.	Overdue

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Audit Year (Date report issued)	Rec Ref	Original Recommendation	Priority	Original Managers Response	Responsible Officer/ Head of Service	Agreed Imp Date	Revised Imp Date(s)	Status Update from Management	Status
Parks and landscapes 2019/20 October 2020	1.1	Routine inspections should be implemented and documented to demonstrate the Council has a process for managing trees.	High	<p>The council will assist HTS to produce a robust maintenance strategy for the trees. A wider Tree and Landscape Strategy Document is also required for the Harlow area. This will include more than tree maintenance, but ideally would influence a maintenance strategy.</p> <p>However, due to not yet having that document the production of a tree maintenance programme should go ahead regardless. Any adjustments that may be required based on a wider strategy can be incorporated at a later date. However if we work closely with HTS (including Tim Moya associates) the programme should be suitable for the most part.</p>	Environment and Licensing Manager Senior Landscape Officer	31/03/21	31/03/21	HTS has engaged a leading Arboricultural consultancy to carry out routine tree inspections, incorporating robust condition, value, and risk assessments. Inspection outcomes are now comprehensively documented and retained in an interactive database to which HTS has access and from which data may be downloaded for transfer to the Council's GIS system. This will form the foundation of the tree management strategy the need for which is identified at 1.2	Completed
	1.2	<p>The Council will work with HTS to ensure a tree maintenance strategy is agreed and implemented, in accordance with the contract specification.</p> <p>The tree maintenance strategy should ensure:</p> <p>a) Tree surveys are completed to provide a complete record of the type and condition of the Council's tree stock</p> <p>b) Risk assessments are undertaken to identify and manage</p>					31/03/22	In working with HTS to develop a tree strategy for Harlow, it has become evident that improved baseline data is required in order to properly assess the implications of potential policy options. A town-wide condition survey led by HTS will allow the issues costs and values to be quantified so that the cost and effect of options can be reasonably estimated. This will delay adoption of formal policy, but will provide a robust basis for informed policy making. It is anticipated that a budget cost for the most pragmatic approach to this work will be arrived at by 31/03/2021, and subject to the identification of resources, that	In progress

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		risks to public safety c) Remedial work is identified and managed in order of risk.						work will commence in the course of 2021/22.	
Parks and landscapes 2019/20 October 2020	2.1	2.1 Outstanding tree work identified in the improvement action plan should be completed.	High	2.1 Outstanding works are being prioritised and worked through in-conjunction with the client. Regular updates are provided and the CAM system is now being regularly updated. The services of a consultant are being employed to speed up the inspection process.	Operations Director (HTS)	31/12/20	31/09/21	Two further periods of "lockdown" since early autumn 2021 have restricted HTS's capacity to complete programmed tree works. Further, improvement in the consistency of inspections delivered as a result of 1.1 above has over time resulted a higher rate of recommendations for works in the long medium or short term. Thus despite a year on year increase in the rate at which jobs were completed, HTS has not to date succeeded in completing all outstanding work. HTS has increased arboricultural capacity by engaging qualified subcontractors to reduce the quantity of work on hand.	Overdue
Equality Act and Impact Assessments 2020/21 February 2021	1	As a priority, the Equality Working Group should finalise and implement the action plan. This includes a review of the draft objectives and actions to ensure they fully support the Council's Corporate	High	A review of the draft objectives and actions has been completed. Once approved the EWG will ensure the publication of the Plan and commence its implementation. A timeline for	Head of Governance/ Corporate and Democratic Services Manager	Following the first Cabinet meeting of the municipal year			In progress

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		<p>Plan equalities goals. To enable progress to be evaluated, targets should be assigned to the actions, the action plan monitored by the EWG, and progress reported to the Corporate Governance Group to update the risk register.</p>		<p>reporting progress of the Plan to the Corporate Governance to be agreed.</p>					
<p>Equality Act and Impact Assessments 2020/21 February 2021</p>	<p>2</p>	<p>In line with the Equality Act 2010, the Council should develop a consistent and proportionate procedure for assessing and recording the equalities impacts of policies (using an EIA or other agreed methodology) to be completed before a proposed policy is adopted.</p>	<p>High</p>	<p>The current process (Cabinet & Committee Reports, Decisions) to be reviewed to reflect the new process/arrangements.</p>	<p>Head of Governance/ Corporate and Democratic Services Manager</p>	<p>Following the first Cabinet meeting of the municipal year</p>			<p>In progress</p>

AUDIT & STANDARDS COMMITTEE WORK PLAN 2020/21

June 2020	
○ Audit and Standards Committee Annual Report 2019/20	Sarah Marsh
○ Internal Audit Annual Report 2019/20	Sarah Marsh
○ Period 2 Internal Audit Activity Report 2020/21	Sarah Marsh
○ Revised 2020/21 Internal Audit Plan	Sarah Marsh
August 2020	
○ Period 5 Internal Audit Activity Report 2020/21	Sarah Marsh
○ Review of Internal Audit Charter	Sarah Marsh
○ Review of Audit & Standards Committee Effectiveness and Terms of Reference	Sarah Marsh
○ Review of Code of Corporate Governance	Sarah Marsh
○ Review of Anti-Fraud and Corruption Strategy	Sarah Marsh
○ Annual Governance Statement 2019/20	Simon Freeman
November 2020	
○ Annual Audit Letter 2018/19	External Auditor
○ Audited Annual Accounts 2018/19	Simon Freeman
○ Management Letter of Representation	External Auditor
○ External Auditors Audit Results Report 2018/19 (ISA 260)	External Auditor
○ External Auditor – Audit Plan 2019/20	External Auditor
○ Period 8 Internal Audit Activity Report	Sarah Marsh
○ Risk Management Progress Report	Stuart Moseley
March 2021	
○ Internal Audit Strategy and Plan 2021/22	Sarah Marsh
○ Period 11 Internal Audit Activity Report 2020/21	Sarah Marsh

AUDIT & STANDARDS COMMITTEE WORK PLAN 2020/21

○ Audit & Standards Committee Work Plan and Training Programme	Sarah Marsh
Standing Items	
○ Register of Complaints which have been referred to Hearing Sub-Committee	Monitoring Officer
Unallocated Items	
○ None	
Training Plan	Topic
August 2020 – date and time to be confirmed	Financial accounts, ahead of the Audit and Standards Committee receiving the annual accounts for approval
25 November 2020 – starts 6.45pm ahead of the Committee meeting	Business continuity framework and initial lessons learnt from Covid-19
03 March 2021 – starts 6.45pm ahead of the Committee meeting	Information governance and data protection from the Council's recently appointed Data Protection Officer