

| Audit Area and Context   | Corporate Risks   | Proposed outline/scope   | Year End Position   | Status /Assurance   |
|--|---|--|---|---|
| <b>Corporate Framework</b>   |   |  |   |   |
| <p>Governance &amp; Probity</p> <p>The corporate priorities are underpinned by sound leadership, management of resources, and governance</p> | <p>The Council's governance framework underpins everything it does; therefore, robust arrangements are key in managing this risk.</p>                   | <p>Conflicts of interest: review how conflicts of interest for staff (and Members) are managed as this was the focus of several recent investigations by Internal Audit</p> <p>Governance – Harlow and Gilston Garden Town: look at the governance arrangements to support the collaboration between Epping Forest, Harlow and East Herts to deliver the government's Garden Town initiative</p> | <p>Conflicts of interest: The requirement for employees to make an annual declaration of any conflict of interest or gift and hospitality was not operating in practice. This has now been addressed by revamping the online declaration forms and regular reminders to staff. There are robust processes in place for Members.</p> <p>Harlow and Gilston Garden Town: Fieldwork almost completed</p> | <p>Conflicts of interests and gifts and hospitality – moderate assurance for officers and substantial assurance for Members</p> <p>Harlow and Gilston Garden Town: to be reported as part of the 2020/21 plan</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>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>Member of the Corporate Fraud Group, which meets quarterly. This group oversees the Council's action plan that co-ordinates the Council's approach and activities that complements the Council's anti-fraud and corruption strategy, which was updated in November 2019.</p> <p>IA continued in year work regarding the National Fraud Initiative</p>  | <p>Completed for 2019/20</p>  |
| <p>Assurance Framework incl. Risk Management and support to Audit Committee</p>  | <p>Risk in achieving corporate priorities as these are underpinned by sound leadership,</p>   | <p>Co-ordination of year-end assurance reporting, including the Annual Governance Statement.</p> <p>Member of the Corporate Governance Group.</p> <p>Assistance to Head of Finance and the Insurance and Risk</p>  | <p>IA drove the annual review each service undertakes regarding the effectiveness of its governance, risk management and internal control arrangements. Findings and key themes/common issues were reported to the Corporate Governance Group and fed into the Annual Governance Statement process.</p>   | <p>Completed for 2019/20</p>  |

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|  | management of resources, and governance.   | <p>Manager in enhancing and embedding the Council's risk management framework.</p> <p>Support and training to the Audit Committee.</p>  | <p>IA continues to provide advice and good practice as the Council continues to develop its risk management framework.</p> <p>IA delivers a bespoke training programme for the Audit and Standards Committee, as well identifying training opportunities in neighbouring councils. Topics included risk management, role of External Audit and fraud awareness.</p>   |  |
| <p>Information Management and Governance -</p> <p>Data protection and security. Data sets, owners and protocols. Governance and data sharing. Training and awareness</p> | <p>CR08 Information Governance and Data Compliance: Breach of data protection and other legislation related risks which could lead to significant fines and reputational damage.</p> | <p>GDPR (General Data Protection Regulation) checklist: IA will complete a GDPR checklist for all audits, feeding the results back to the DPO</p> <p>Data retention and disposals: cross cutting review to ensure the Council's data retention and disposal policy is fit for purpose and being complied with.</p> <p>Member of the Corporate Information Governance Group: Internal Audit continues on the officer Information Governance Group which reports into Corporate Governance Group. This is chaired by the Head of Governance and includes the Council's DPO (Data Protection Officer).</p> | <p>For a sample of audits IA completed a GDPR checklist and found overall these areas were generally GDPR compliant. Any control weaknesses or areas for improvement have been fed back to the DPO</p> <p>HTS and GDPR compliance: This was an additional audit to the plan at the request of the Council's Corporate Governance Group. Overall, HTS has a sound framework, in particular around training and awareness. Weaknesses found, in particular ensuring contracts are GDPR compliant and keeping Registers of Processing Activities up to date, once in place. This has now been addressed through the company's information security and data protection action plan.</p> <p>Data retention and disposals audit: The majority of the fieldwork has been completed, however, findings have yet to be fed back to the Information Governance Group which has been delayed due to Covid 19. It is expected that any</p> | <p>HTS and GDPR compliance: moderate assurance</p> <p>Data retention and disposals audit: to be reported as part of the 2020/21 audit plan</p> |

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|   |  |  | recommendations will be taken forward by the new to be appointed DPO.   |                                     |
| 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.                    | The suitability and integrity of Performance Indicators (PIs) are considered within operational audits. For 2019/20 this includes parks, landscapes and Streetscene, complementing the HTS (Harlow Trading Services) Best Value Review, Leah Manning Centre and Commercial Rents | No concerns identified regarding performance indicators examined in other audits including commercial rents and corporate H&S.  | Complete for 2019/20                |
| Value for Money (VfM) - Guiding principle of the Council  | VfM helps the Council manage its corporate risk CR01 on financial resilience.                | Continue with short/sharp audits driven by data analytics. For 2019/20 this will include a follow up of the 2018/19 limited assurance purchase card audit.   | Purchase cards: some improvement since the previous audit as the number of receipts retained for purchases and approved transactions has significantly increased and all cardholders now have an approver. The system of reviewing expenditure is still not providing the challenge required to ensure spending is legitimate and in the best interests of the Council. The role of Systems Team Leader as the central 'gatekeeper' has been strengthened who monitors and challenges poor spending habits. | Purchase cards - moderate assurance |
| Joint Working, Shared Services, Outsourcing and Partnerships  | On corporate risk register: CR06 - Lack of resources and capacity, Council and key partners. | Harlow and Gilston Garden Town (joint initiative with Epping Forest, and East Herts): to ensure joint arrangements are working in the best interests for the Council with appropriate governance and monitoring arrangements in place.   | Covered in the governance review of the Garden Town arrangements (see start of Plan).   | Complete for 2019/20                |

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| <p>Projects</p> <p>Business case, project methodology, governance arrangements, contract management and viability</p> | <p>Poor project management increases the risk of projects not being delivered on time, to budget or does not meet the needs of the Council.</p> | <p>Capital projects programme</p> <p>New HR system project: internal control advice and guidance will be given whilst procuring and implementing a new HR system.</p>   | <p>Capital projects programme: fieldwork in progress</p> <p>New HR system: Internal Audit meets regularly with the HR Manager to discuss progress</p>   | <p>Capital projects programme – to be reported as part of the 2020/21 Plan</p> |
| <p>Contingency</p>  | <p>Annual provision for responsive work, special investigations and/or key/emerging risk areas</p>  | <p>Will take into account themes/issues coming out of the Annual Governance Statement.</p>  | <p>Two special investigations were undertaken by Internal Audit. One was a review of budget monitoring and procurement activities where recommendations have been made to improve the control framework and enhance transparency within that area. The other was an external whistleblowing concern around potential disclosure of personal information between staff, which was passed to the relevant Head of Service to decide if the Council's disciplinary procedure should be evoked.</p> | <p>Completed for 2020/21</p>   |
| <p><b>Themed/cross cutting audits</b></p>   |   |   |   |  |
| <p>Income Streams</p> <p><i>Management of resources features in the corporate plan</i></p>                            | <p>To ensure financial resilience the Council needs to protect and maximise its income streams</p>  | <p>Commercial property rents: will examine how leases are set up and rental income is monitored to ensure there are effective and efficient processes in place being a key source of income for the Council</p> | <p>Commercial rents: Overall, sound, processes regarding the commercial rent framework but there is a need to formalise these with regards to rent deposits, rent reviews, reconciliation, formal reporting and management information. This will ensure transparency in the decision making process as officers have discretionary powers to get the best deal for Harlow.</p>   | <p>Commercial rents: moderate assurance</p>                                    |
| <p>Procurement</p>  | <p>Risks include non-compliance</p>   | <p>HTS and Public Contract Regulations: IA will assess the</p>  | <p>HTS and Public Contract Regulations: Was to form part of the planned maintenance</p>   | <p>Housing contracts (non HTS) -</p>   |

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| Themed audits - compliance, VfM, fraud, goods and services. End to end processes (need, selection, appointment, contract management & exit strategies) | with legislation, fraud, not achieving value for money, poor service delivery.  | level of compliance by HTS to Public Contract Regulations.   | and major works audit (see later on) which has been deferred.<br><br>Instead Internal Audit completed an audit of housing contracts (non HTS) which was carried forward from the 2018/19 Plan. This found there were robust tendering and contract management in place for the procurement and management of these contracts (including external works and external repairs and redecoration).   | substantial assurance                             |
| Health & Safety  | Risk of compromising the health and safety of individuals and non-compliance with H&S legislation leading to fines or imprisonment. | Corporate H&S Framework, including policies: assess the H&S framework in place to protect people working for and visiting the Council as the H&S function now sits in a different service.   | Corporate H&S framework: Desk top review confirmed areas of good practice in place; including a corporate safety committee, comprehensive staff H&S handbook, suite of H&S policies, monitoring and reporting of H&S statistics. However, the following require improvement; ensuring H&S policies remain up to date, central monitoring of risk assessments, having a consistent approach to H&S training records.  | Corporate H&S framework - moderate assurance      |
| Business Continuity Planning (BCP)   | Without adequate BCP the Council could fail to deliver its services in the event of significant incident.                           | Business Continuity Planning: Using a checklist approach business continuity and IT Disaster recovery arrangements will be assessed. (A technical review of the Council's IT Disaster Recovery arrangements will take place) the following year. | Business continuity (BC): There is a clear and up to date policy, with ownership by the Senior Management Board. Business impact assessments are in place, with recovery expectations. However, It is not clear (for IT Disaster Recovery purposes) what systems might be required and what the recovery sequences should be. In addition, services need to check that key suppliers have BC plans of their own. Just as the report was being prepared, the Coronavirus pandemic emerged and | Business continuity planning - moderate assurance |

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|   |   |   | escalated. It is important is to capture the learnable lessons and ensure that plans are updated as a result.   |   |
| <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>Rolling programme of key financial control (KFC) audits. For 2019/20 these are:</p> <ul style="list-style-type: none"> <li>• Fixed Assets Register</li> <li>• Treasury Management</li> </ul> | <p>Fixed asset register: currently in progress</p> <p>Treasury Management: deferred due to staffing changes within the accountancy function</p>   | <p>Fixed asset register and Treasury Management – both to be reported as part of the 2020/21 Plan</p> |
| <p>IT Audits:<br/>IT Governance, IT Regulation, Security/Privacy, Business Systems, DRP/BCP, Network, Emerging Technologies e.g. mobile devices, IT Applications and Projects</p> | <p>CR08<br/>Information Governance and Data Compliance:<br/>Risks around data and asset security and loss of service.<br/>Opportunity for IT to be an enabler for delivering the Council's priorities</p> | <p>Change and Patch Management<br/>Using a specialist IT Auditor, make sure there is a structured mechanism when making changes or applying patches.</p>  | <p>Change and patch management: effective overall control environment over changes made to IT equipment and systems, including business applications, network devices, PCs and workstations and servers. This includes the routine security patching processes.</p> | <p>Change and patch management - substantial assurance</p>  |

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| <b>Operational/service audits</b>   |   |  |   |   |
| Housing:<br>Housing Management<br>Property Services<br>Housing Needs and Options<br>Sheltered Housing<br>Area Housing<br>Home Ownership | CR03 - Lack of Suitable Housing Mix<br><br>CR04 - Lack of adequate Council housing                                    | Homelessness will take into account the Homelessness Reduction Act which came into force April 2018 and will build on similar audits undertaken at Epping Forest and Broxbourne.<br><br>Planned maintenance and major works: focus on those works undertaken by HTS. | Homelessness: to be deferred<br><br>Planned maintenance and major works: This audit was replaced with the Housing contract (non HTS) reported above.<br><br>Former Tenant Arrears (FTA): This was a follow up of the 2018/19 housing rents audit which found FTAs to be high and the need to allocate resources to collect these. This audit found rent officers' focus is on current rather than former tenant debt. There needs to be an increased emphasis on collectable former tenant debt alongside the write off the very old uncollectable debt, which has now started. | Homelessness and planned maintenance and major work – both to be deferred to 2021/22<br><br>Former Tenant Arrears – limited assurance |
| Community Wellbeing:<br>Community Safety<br>Community, Leisure and Culture<br>Customer & Media Services<br>Youth & Citizenship          | CR05 - Inability to fulfil Community Leadership role<br><br>CR07 - Ability to support children and family aspirations | Leah Manning Centre: The Leah Manning Centre will cover mainly financial and regulatory aspects  | Lean Manning Centre: This audit has been deferred as the coronavirus outbreak started whilst planning to the audit<br><br>Internal Audit discussed the risks around community and leisure with the outgoing and in coming Community Leisure and Cultural Services Manager. It was agreed that any audit work could be factored into future Audit Plans as there were no significant or immediate concerns   | Lean Manning Centre – deferred to 2021/22   |
| Regeneration and Enterprise Zone  | CR02 - The Harlow Offer<br>CR06 - Lack of Resources and Capacity, Council and key                                     | Covered under the Garden Town audit – see earlier.   | See Garden Town audit   | Completed for 2019/20   |

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|   | partners   |   |  |   |
| Place:<br>Properties, facilities & projects<br>Properties & estates<br>Operations, energy & emergency planning<br>Planning & Building Control<br>Environmental Health<br>Licensing<br>Streetscene                                     | CR06 - Lack of Resources and Capacity, Council and key partners                        | Parks, landscapes and Streetscene: The parks and landscapes audit will assess new processes implemented 2018/19 and to include playgrounds                                  | Parks and landscapes: fieldwork in progress  | Parks and landscapes – to be reported as part of 2020/21 Plan |
| Governance:<br>Corporate & Governance Support<br>Legal Services<br>Electoral Services<br>Human Resources<br>Procurement & Relationship (covered elsewhere in the plan)<br>Policy & Performance (covered under performance management) | Risk of corporate priorities not being met should these service areas fail to deliver. | See earlier in report for audits around procurement and HR<br><br>HR – starters, movers and leavers (carried forward from 2018/19 plan). Will be based on analytical review | HR starters, movers, leavers: effective processes to ensure the records and documentation of starters, movers and leavers are reviewed and verified before details are entered on to Chris21 (the HR and Payroll system). Testing confirmed start dates (except for casual workers who have no fixed start date) and pay grades for starters and movers are accurately input to Chris21 and agree to the contract of employment. Leave dates agreed to the relevant documentation. | HR starters, movers, leavers – substantial assurance          |
| Finance:<br>Revenues & Benefits (covered under KFC audits)<br>ICT (covered elsewhere in the plan)   | CR01 (Financial resilience)  | Covered in other audits   | See earlier for IT and key financial control audits<br><br>Cash office (Civic Centre): this was an additional audit to the 2020/21 plan following continued very low value discrepancies (unders/overs) in the cash  | Cash office (Civic Centre) – substantial assurance            |

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| <p>Accountancy (see also KFC audits)</p> <p>Insurance</p> <p>Internal Audit</p>          |   |  | <p>income banked by the cash office in the Civic Centre. The audit was unable to identify the reasons for the discrepancies and found robust processes and controls regarding cash income received and banked.</p>  |                              |
| <p>Follow Up Audits</p> <p>Review of progress against recommendations on the tracker</p> | <p>Tracker process ensures risks identified in audits have been managed to an acceptable level.</p> | <p>Includes specific follow up work especially where Limited assurance previously given. Includes maintaining the recommendation tracker, which is reported at each Audit and Standards Committee.</p> | <p>Implementation of all recommendations continues to be scrutinised as part of the tracker process. Recommendations made in previous reports are routinely followed up when the audit is next undertaken, for example commercial rents and H&amp;S. The purchase card and Former Tenant Arrears audits reported earlier were a follow up of the previous 2018/19 audits.</p> | <p>Completed for 2019/20</p> |