

Audit Area and Context	Corporate Risks	Proposed outline/scope	Year End Position	Status /Assurance
Corporate Framework				
<p>Governance & 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>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>Equalities Act and use of impact assessments: Will assess compliance with the Equalities Act and consider the use of Equality Impact Assessments within decision making and large projects, ensuring all decisions have a completed and evidence based assessment.</p>	<p>Harlow and Gilston Garden Town (HGGT): A HGGT Member Board comprising representatives from all five councils provides high level oversight and direction for the HGGT project. Progress is monitored through the Project Director's highlight report to the Board and their weekly meetings with the Independent Chair of the Board. Fortnightly meetings between the Chief Executive and HGGT Director ensure the Council's interests are communicated at a strategic level.</p> <p>Equalities Act and use of impact assessments: 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. 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 Equality Working Group should also develop a clear</p>	<p>Harlow and Gilston Garden Town – substantial assurance</p> <p>Equalities Act and use of impact assessments – limited assurance</p>

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			framework to ensure equality impacts are an integral part of the decision-making process.	
Fraud Proactive fraud work	CR01 (Financial resilience) - any loss through fraud is a drain on resources which, in turn, reduces the amounts available for service delivery.	Member of the Corporate Fraud Group. Oversee the delivery of the Council's anti-fraud and corruption action plan. Potential for fraud considered in all audits. Co-ordinate National Fraud Initiative data matching process.	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 August 2020. Internal Audit continued in year work regarding the National Fraud Initiative In addition, both Internal Audit and the Corporate Fraud Team at Epping Forest have been assisting the Revenue and Benefits Manager in identifying and targeting potential fraudulent Covid-19 business grant claims.	Completed for 2020/21
Assurance Framework incl. Risk Management and support to Audit Committee	Risk in achieving corporate priorities as these are underpinned by sound leadership, management of resources, and governance.	Co-ordination of year-end assurance reporting, including the Annual Governance Statement. Member of the Corporate Governance Group. Assistance to Head of Finance and the Insurance and Risk Manager in enhancing and embedding the Council's risk management framework. Support and training to the Audit Committee.	Internal Audit 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. Internal Audit continues to provide advice and good practice as the Council continues to develop its risk management framework. Internal Audit co-ordinated the process for	Completed for 2019/20

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			<p>seeking applications as an Independent Member of the Audit and Standards Committee. Interviews took place via Zoom at the beginning of October by three members of the Committee, supported by the Head of Finance and the Internal Audit Manager. An appointment was not made on this occasion and the recruitment process will restart in 2021/22.</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>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 which is chaired by the Head of Governance and includes the Council's Data Protection Officer. (DPO).</p> <p>Continue to assist the Council's DPO by providing assurance and advice in targeted areas.</p>	<p>Data retention and disposals audit: Overall, the Council has a robust data retention and disposals framework parts of which are working well in practice. The framework is reliant on Services and teams owning their data (and rightly so) and ensuring compliance with legislation. The Council needs to ensure there are corporate mechanisms and clear processes to ensure this compliance, providing support where required.</p> <p>Information Governance: Internal Audit has been instrumental in implementing the Information Governance Group's action plan and meet regularly with the Council's DPO to discuss progress. In particular, Internal Audit has assessed where Register of Processing Activities need to be updated and undertaken a benchmarking exercise to assist the review of Contract Standing Orders (CSO's) (See: Procurement) Internal audit has also assisted the DPO with the review of existing processes for dealing with Freedom of Information requests.</p>	<p>Data retention and disposals audit – moderate assurance</p>

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<p>Performance Management: Data integrity & quality (collection, collation, analysis and validation). Use of performance targets</p>	<p>Risk of non-achievement of corporate priorities and lack of transparency.</p>	<p>The suitability and integrity of Performance Indicators (PIs) are considered within operational audits.</p> <p>During 2020/21 time has been set aside for Internal Audit to assist Policy and Performance in their review of the performance management framework</p>	<p>No concerns identified regarding performance indicators examined in other audits including parks and landscapes. Except for Accounts Payable where there is a need to improve the payment time of invoices and IT Services to HTS where there is an absence of KPIs.</p> <p>Performance management framework: A review of the framework was undertaken before the pandemic by the Service Manager (Relationship & Commissioning Manager). Then service resources were diverted to support the Council's response Covid-19. The review of the framework will continue in 2021/22 in conjunction with Internal Audit</p>	<p>Completed for 2020/21</p>
<p>Value for Money (VfM) - Guiding principle of the Council</p>	<p>VfM helps the Council manage its corporate risk CR01 on financial resilience.</p>	<p>Value for money and use of benchmarking is considered in all audits.</p> <p>HTS Best Value Review (also part of joint working below): Will review the adequacy of mechanisms to ensure the recommendations from the BVR are implemented with buy-in by all parties.</p>	<p>Areas for improvement in terms of the 3Es (Effectiveness, Efficiency and Economy) identified in a number of audits including payroll, IT Services to HTS and data retention and disposals.</p> <p>HTS Best Value Review – audit is in progress</p>	<p>Completed for 2020/21</p> <p>HTS Best Value Review – will be reported as part of the 2021/22 Plan</p>
<p>Joint Working, Shared Services, Outsourcing and Partnerships</p>	<p>On corporate risk register: CR06 - Lack of resources and capacity, Council and key</p>	<p>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</p>	<p>Covered in the governance review of the Garden Town arrangements (see start of Plan).</p>	<p>Completed for 2020/21</p>

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	partners.	monitoring arrangements in place.		
<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: Will take into account the revised project management methodology being developed within InPhase.</p> <p>New HR system project: Will review the adequacy of project methodology being used as well as providing internal control advice and guidance during the implementation of the HR system (i-Trent).</p>	<p>Capital projects programme: There is an effective framework to monitor financial performance with oversight by budget holders, finance, the Senior Management Board and Cabinet. There is, however, scope to enhance the non-financial monitoring framework</p> <p>New HR system: See HR system implementation later on under Governance</p>	<p>Capital projects programme – moderate assurance</p>
Contingency	<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>No special investigations were undertaken by Internal Audit during 2020/21.</p> <p>The majority of contingency time was spent on Covid-19 business grant work. This included liaising with the Revenue and Benefits Manager about pre and post 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.</p>	<p>Completed for 2020/21</p>
Themed/cross cutting audits				
<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>The original audit of parking but did not go ahead as planned.</p>	<p>No work undertaken.</p>	<p>No assurance work undertaken in this area</p>

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<p>Procurement</p> <p>Themed audits - compliance, VfM, fraud, goods and services. End to end processes (need, selection, appointment, contract management & exit strategies)</p>	<p>Risks include non-compliance with legislation, fraud, not achieving value for money, poor service delivery.</p>	<p>Financial Regulations and Contract Standing Orders – delegated authorities: Internal Audit will assess, in conjunction with the Head of Finance, whether the Council's delegated financial authorities are still fit for purpose; benchmarking as appropriate.</p>	<p>Internal Audit benchmarked the Council's Contract Standing Orders (CSO) against 14 other district councils, with a focus on comparison of procurement thresholds, delegation and financial limits. The results of this have been fed into the Council's updated CSO which will go to Full Council for approval in 2021/22. A review of the Council's Financial Regulations is planned for 2021/22.</p>	<p>Completed for 2021/22</p>
<p>Health & Safety</p>	<p>Risk of compromising the health and safety of individuals and non-compliance with H&S legislation leading to fines or imprisonment.</p>	<p>See housing section below - overview of H&S related inspections: gas, fire safety, electrical legionella, asbestos and lifts.</p>	<p>H&S related inspections audit now forms part of the 2021/22 Plan. The audit was deferred due to staff availability and services prioritising Covid-19 related issues.</p> <p>During 2020/21 Internal Audit kept a watching brief regarding Covid-19 H&S related issues for staff, and those coming into Council offices. This included review of the Council's Covid-19 risk assessment.</p>	<p>Completed for 2020/21</p>
<p>Business Continuity Planning (BCP)</p>	<p>Without adequate BCP the Council could fail to deliver its services in the event of significant incident.</p>	<p>Business Continuity Planning: Assist the Council to ensure lessons learnt from the coronavirus epidemic are captured and acted upon.</p> <p>IT Disaster Recovery: A specialist IT auditor will be used to undertake a technical review of the Council's IT Disaster Recovery arrangements</p>	<p>Internal Audit kept a watching brief during the year by speaking to key officers and reviewing the outcomes from the Covid-19 recovery groups.</p> <p>IT Disaster Recovery: Whilst Disaster Recovery plans were confirmed to be in place, they had not been reviewed or updated since January 2018. No full recovery test has yet been undertaken to confirm that adequacy of fallback arrangements, although some departmental ones have taken place. The risk exists that</p>	<p>IT Disaster Recovery – moderate assurance</p>

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			<p>without regular and thorough testing, the Council could experience significant and unnecessary downtime in the event of a live invocation. ICT had undertaken extensive work to set up a fallback data centre. In addition, live and Disaster Recovery servers were configured to ensure data was replicated across the two data centres. All servers were physically secure and subject to regular data backup.</p>	
<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 2020/21 these are:</p> <ul style="list-style-type: none"> • Fixed Assets Register • Treasury Management • Housing Benefit <p>In addition, the following two audits were undertaken to review the robustness and effectiveness of internal controls as the Council began its recovery phase and suitability of these for the future:</p> <ul style="list-style-type: none"> • Payroll (light touch) • Accounts Payable 	<p>Fixed asset register: The Fixed Asset Register is regularly updated for acquisitions, disposals, and the recording of depreciation. There is a framework of controls in place to ensure that Council assets are safeguarded. ICT Assets shown on the Corporate Asset Register are recorded in more detail on the ICT Asset Register. Internal Audit was unable to trace some IT purchases of PCs within the sample tested to the ICT Asset Inventory/Register. A contributory factor was that the 'Delivery Date' and 'Install Date' fields of the ICT Asset Inventory/Register are not always completed. A further contributory factor is that since the latter part of 2019, and through 'lockdown', large orders of ICT equipment have been made and instead of being recorded in the ICT Asset Register/Inventory on a second 'Homeworking' spreadsheet.</p> <p>Treasury Management: Deferred 2021/22 due to staffing changes within the</p>	<p>Fixed asset register – moderate assurance Payroll (light touch) – substantial assurance Accounts Payable – moderate assurance</p>

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			<p>accountancy function</p> <p>Housing Benefit: Deferred to 2021/22 due to staff availability and services prioritising Covid-19 related issues</p> <p>Payroll (light touch): The purpose of this audit was to ensure robust controls were in place at the start of and during the Covid-19 pandemic as processes had to quickly evolve as most staff were required to work from home. The audit confirms that since March 2020 the Council has maintained effective payroll systems and processes.</p> <p>Accounts Payable: This audit confirms that since March 2020, changes made to Accounts Payable systems and processes in response to Covid-19 are working well and in the best interests of the Council. However, the Council consistency fails to achieve its KPI of paying invoices within 30 days of the invoice date. Use of exception reporting and working with officers should address the problem.</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>CR08 Information Governance and Data Compliance: Risks around data and asset security and loss of service. Opportunity for IT to be an</p>	<p>Provision of IT services to HTS: assess whether IT services provided by the Council to HTS works for both parties.</p>	<p>Provision of IT services to HTS: Whilst there is a formal contract and Service Level Agreement (SLA) that describes activities to be provided, performance measures and specific KPIs which would help to monitor and assess contract performance are absent. The contract provides for non-standard billable work (e.g. out of hours support or overtime worked not being charged). It is possible that such work is being absorbed by ICT and an opportunity</p>	<p>Provision of IT services to HTS – moderate assurance</p>

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	enabler for delivering the Council's priorities		to recover this cost is being missed.	
Operational/service audits				
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	Overview of H&S related inspections: gas, fire safety, electrical legionella, asbestos and lifts: Overview of H&S related inspections: gas, fire safety, electrical legionella, asbestos and lifts. This audit builds on audits undertaken in recent years on gas safety and asbestos to give a holistic view on how this is being managed for the Council's housing properties	This audit now forms part of the 2021/22 Plan and was deferred due to staff availability and services prioritising Covid-19 related issues Former Tenant Arrears (FTA): A follow up audit of former tenant arrears was undertaken to review the implementation of the recommendations made in the previous Internal Audit report issued in April 2020 which was given limited assurance. Some progress has been made since the previous audit. The void property list is reviewed regularly, therefore, that high priority recommendation has been implemented. The other high priority recommendation made relates to the review of aged debts and this is in progress, being a larger piece of work. Priority is given to the recovery of current rent arrears so there is limited resource for the review of former tenant debts and still needs to be addressed.	Overview of housing H&S related inspections: will be reported as part of the 2021/22 Plan Former Tenant Arrears – follow up audit completed
Community Wellbeing: Community Safety Community, Leisure and Culture Customer & Media Services	CR05 - Inability to fulfil Community Leadership role CR07 - Ability to support children and family	Events Management: This audit was to look at the role of the recently created Events Officer post and ensure there is a joined up approach across the Council which meets the public's needs.	This audit did not materialise as no events took place due to the pandemic. However, assurances for this service area provided via the Harlow and Gilston Garden Town audit – see earlier.	Completed for 2020/21

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Youth & Citizenship Regeneration and Enterprise Zone	aspirations CR02 - The 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	<p>Parks, landscapes and Streetscene: The parks and landscapes audit will assess new processes implemented 2018/19 and to include playgrounds</p> <p>Planning and Building Control: will also include covenant control being a source of income for the Council.</p>	<p>Parks and landscapes: Grounds maintenance services are delivered by HTS (Property and Environment Ltd) in accordance with the contract payment mechanism, however improvements are required for the service to meet the needs of the Council. The implementation of an annual grounds maintenance programme will inform the Council of the service plans in terms of planting and maintenance activities throughout the year.</p> <p>The arboriculture service is reactive, responding to emergency works and calls received from the public. There is no annual schedule for planned inspection of trees which, if in place, would provide assurance that trees in public places are inspected and maintained in order of risk. An improvement action plan has been developed by HTS to complete outstanding tree work and is being led by HTS working with the Council.</p> <p>Planning and Building Control: The audit was deferred due to staff availability and</p>	Parks and landscapes – limited assurance for arboriculture service and moderate assurance for grounds maintenance service

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			services prioritising Covid-19 related issues. It now forms part of the 2021/22 Plan	
Governance: Corporate & Governance Support Legal Services Electoral Services Human Resources Procurement & Relationship (covered elsewhere in the plan) Policy & Performance (covered under performance management)	Risk of corporate priorities not being met should these service areas fail to deliver.	HR system implementation: Internal Audit will provide internal control advice and guidance as the new HR system (iTrent) is implemented Service/business planning and risk management: 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.	iTrent project: Internal Audit throughout 2020/21 continued overseeing the project plan for implementation of the new HR system (iTrent), The planned go-live date of December 2020 for the payroll module was successfully achieved, the project has now moved on to phase two. Internal audit has facilitated discussions between key departments to ensure there is a holistic approach to the project.	Completed for 2020/21
Finance: Revenues & Benefits (covered under KFC audits) ICT (covered elsewhere in the plan) Accountancy (see also KFC audits) Insurance Internal Audit	CR01 (Financial resilience)	Covered in other audits	See earlier for IT and key financial control audits	Completed for 2020/21
Follow Up Audits Review of progress against	Tracker process ensures risks identified in audits have	Includes specific follow up work especially where Limited assurance previously given. Includes maintaining the	Implementation of all recommendations continues to be scrutinised as part of the tracker process. Recommendations made in previous reports are routinely followed up	Completed for 2020/21

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recommendations on the tracker	been managed to an acceptable level.	recommendation tracker, which is reported at each Audit and Standards Committee.	when the audit is next undertaken, for example Fixed Assets, Payroll and IT Disaster Recovery. A formal follow up of Former Tenant Arrears was reported earlier.	