

## **Appendix 1 - Internal Audit Annual Plan 2017/18**

<b>Planned Audits - Assurance</b>	<b>Potential Risk implications</b>
Serious and Organised Crime Audit (In accordance with official framework)	Poses a threat to national security; lack of awareness may lead to harm to the local community or staff; intelligence is not shared or acted upon; organised crime groups could be benefitting from public sector procurement contracts resulting in financial or reputational losses
Regeneration and Growth – Asset Management	Weak contract management resulting in Contractors/partners failing to deliver expected outcomes. Financial loss and poor value for money. Failure to follow Contract Standing Orders or Procurement Regulations.
Regeneration and Growth – Planning (Development Management)	Impact of central government policy changes on fee setting, processes and performance management
Regeneration and Growth – Planning – Community Infrastructure Levy (CIL)	Income generated from CIL may not be spent increasing risk of challenge; facilities provided fail to meet community needs
Regeneration and Growth – Planning Policy/New Homes Bonus	Withdrawal of New Homes Bonus if Local Plan not prepared; impact on revenue budget ; lack of skilled resource to deliver
Commissioning and Transformation - Information governance and security (to include a review of the authority's readiness for the new Data Protection Regulations effective from May 2018)	Security/data breach leading to fines and reputational damage. Insufficient preparation for new Data Protection Regulations, which stipulate significantly increased financial penalties for non-compliance.
Commissioning and Transformation – ICT (to include an assessment of risks relating to cybercrime and review of measures being taken to protect the authority from Cyber Security threats)	Failure in service delivery; unavailability of systems; fraud, theft, error; poor value for money through failure to use or develop technology; lack of staff awareness about potential security threats
Finance and Customer Relations	Failure in service delivery due to over reliance on individuals; poor succession planning and resilience arrangements following the planned departure of experienced personnel; loss of technical systems knowledge; ongoing management of change and support for staff; failure to comply with regulatory requirements
Community Wellbeing - Housing	Housing shortage leading to an inability to house vulnerable applicants; continuing external pressures on the Service
Community Wellbeing - Independent Living	Significant funding cuts; failure in service delivery; vulnerable client needs not met
Neighbourhood Services –	Financial loss/ poor value for money from

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Spelride	Partnership arrangement; inadequate income recording systems; vulnerable client needs not met
Health and Safety - Lone Working	Death or serious injury, increased stress levels and sickness, prosecution of Council/Officers and reputational damage
Procurement / Contract management/Appointment of Consultants  The following contracts will be considered, due for review in 2017/18:  - Office Cleaning - Insurance - Market	Weak governance and lack of transparency in procurement. Contractual disputes and claims arising from poor specifications. Weak contract management resulting in Contractors/partners failing to deliver expected outcomes. Failure to follow Contract Standing Orders and non-compliance with Procurement Regulations. Reputational damage and costly challenge by other companies. Financial loss / poor value for money as a result of poor contract management.
Financial • Core financial systems • Service based financial systems	Financial losses due to fraud, theft, poor value for money, error. Reductions in staff resources impacts segregation of duties and the level of management checks. Inefficient systems.
Follow up previous audit recommendations to confirm implementation.	Financial/legal/security/ health and safety/fraud/environmental/reputational/ other consequences
<u>Council Functions</u> - Assess risks relating to functions (to include fraud risks) and review evidence/test to confirm relevant controls are in place. Some reliance will be placed on Managers to confirm controls are operating effectively for their respective areas.	Failure to manage service risks - leading to service delivery failure, delays, errors, losses, inefficient systems, injury/death and reputational damage.
<u>Projects/Major Developments</u>  • Property acquisitions and investments • Regeneration • Business Rates - regulatory changes • Spelthorne Leisure Centres (Post 2021) • Agile working • Rent Management System • On – line Booking system	Financial losses.Failure of projects due to poor project management arrangements, lack of resources and expertise. Failure to deliver project outcomes within budget, (cost and time) and/or objectives not met. New systems purchased do not fulfil business, customer or user needs.
<u>Counter Fraud</u> • In liaison with relevant Group Heads, appoint Corporate Fraud resource and monitor payback	Financial losses and reputational damage. Social housing fraud deprives people in genuine need of a home, placing increased pressure on the Housing Service.

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<p>(Growth bid approved for 2017/18)</p> <ul style="list-style-type: none"><li>• Review Counter Fraud policies</li><li>• Arrange Fraud, Bribery and Corruption awareness training for all staff</li><li>• Attendance at Surrey Counter Fraud Board and dissemination of best practice</li></ul>	
<p><u>Corporate/Other</u></p> <ul style="list-style-type: none"><li>• Attendance at Working Groups such as the Corporate Risk Management Group, Counter Fraud Group, ICT SIG and Information Governance</li><li>• Input into Code of Corporate governance review/ Annual Governance Statement</li><li>• External Audit liaison</li><li>• Advice and support to managers</li><li>• Contingency time for unplanned work requests/special investigations</li></ul>	N/A