

INTERNAL AUDIT PLAN

2018-19



Council Priority:	Strengthening Our Economy
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Review Name	Outline Objective
Information Governance	This review will provide assurance around the compliance of external suppliers to the council with SCC Information Governance Standards, and to understand the general risks and controls across the council.
Organisational Ethics ('Cultural Compliance')	To undertake 'cultural compliance' audits across a sample of teams in all directorates, focusing on the adherence by officers to key council policies and requirements, and understanding the causes of non-compliance. This will include areas such as payment of expenses, use of procurement cards, the management of system access when officers leave our employment, approval of overtime and other allowances, pre-employment checks and recruitment processes, risk-based budget management, and effective absence and annual leave management.
Expenses	This audit follows on from internal audit work in 2017/18 and will test the validity and accuracy of a ranged of sampled officer expenses claims across all directorates. In addition, it will similarly test a sample of members' expenses claims.
SAP Application Controls	An audit to evaluate the adequacy and effectiveness of the key configuration settings and access restriction mechanisms to a variety of sensitive transactions in SAP.
Procure To Pay	To review processes and key financial controls relating to procure-to-pay.
Capital Expenditure Monitoring	To review processes and key financial controls relating to capital expenditure monitoring across the council.
Payroll	This audit will review the key controls operating within the Payroll system, including those relating to starters, leavers, temporary and permanent payments and variations in pay.
Order to Cash	This audit will provide assurance over the key controls operating within the Accounts Receivable system, including those in place for ensuring the accuracy of customer details, completeness and accuracy of invoicing, recording and matching payments to invoices, and debt recovery.
Revenue Budgetary Control	A review of the Council's budget management arrangements, to include both central controls and

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	examination of a sample of individual service budgets.
Treasury Management	A review to assess the adequacy of key controls and procedures across the council's Treasury Management arrangements, including cashflow forecasting, segregation of duties, financial investments and use of treasury advisers.
General Ledger	To review processes and key controls relating to the maintenance and operation of the general ledger, including suspense accounts, reconciliations and journals.
Pensions Administration	To review the key controls over the calculation and payment of pensions, transfers to and from the pension fund and the collection and recording of pension contributions (incl. contributions from other admitted bodies).
Pension Fund Investments	A review to assess the adequacy of SCC Pension Fund management and governance arrangements. Also, to examine arrangements for obtaining assurance over the adequacy of the control environment of pension fund investment managers and the custodian.
Sport England	Through substantive testing, to provide an annual certification of Sport England funding received by the council.
Pothole Action Fund	Through a series of tests based around scheme criteria, to provide certification of funding received by the council by the due date of 30 September 2018.
Bus Subsidy Grant	Through a series of tests based around scheme criteria, to provide certification of funding received by the council by the due date of 30 September 2018.
Grant Contingency	To allow for the possibility of additional assurance work to audit and certify grant returns in year, based on ad hoc funding received in directorates in 2018/19. The time also allows for First Level Controller duties for any European Union grant claims, as required.
Compliance with Procurement Standing Orders	To provide assurance that Procurement Standing Orders are being complied with across the council. This review will specifically look at whether variations and waivers process is controlled effectively.
Ethical Procurement	To examine the robustness of processes that help ensure the council's suppliers and partners share and observe our ethical values.
Collusion in Procurement	A specific review to identify the controls that provide assurance that processes in place to prevent and detect procurement collusion are both robust and effective.

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Contract Management	As a continuation of previous audit work in this area, we will undertake a review of a sample of strategic and high risk and, where appropriate, joint contracts with East Sussex County Council to ensure robust contract management procedures are in place to manage the councils significant contracts.
General Data Protection Regulations (GDPR)	A review to ascertain compliance with the new General Data Protection Regulations, where there is a risk of non-conformance and ensuing financial penalties under the new regime. A gap analysis will be undertaken to assess how measures implemented by the Council align to the proposed GDPR.
Apprenticeship Levy	<p>The Apprenticeship Levy, introduced in April 2017, changes the way the government funds apprenticeships in England. As a result, the way the Council accesses funding and training for apprenticeships will also change.</p> <p>This audit will seek to provide assurance over the arrangements for calculating and accounting for the Apprenticeship Levy, the arrangements for ensuring the funds for apprenticeship training are spent in a timely manner and in accordance with the Department for Education's Apprenticeship Funding Policy.</p>
Impact Of Savings Plans	A review of directorate key savings targets to provide assurance that the risks around the impact of savings on the internal control environment are fully understood, managed and mitigated, and that decisions are taken with a clear knowledge of the residual risk. This audit will have a particular focus on savings plans within CSF and ASC.
Property Investment Company	This review will look at the governance mechanisms of how the newly signed Joint Venture is going to successfully deliver its stated objectives, and provide forward-looking advice to senior management on the robustness of current arrangements.
Third Party Services (non-corporate)	The Council is exposed to clear risks associated with parts of the organisation trading with third party IT providers without our own IT and Digital Department being aware, and therefore unable to implement adequate information governance and security controls. This review will therefore assess the adequacy of, and compliance with, Council policy in this area and, where non-compliance is identified, whether the associated risks have been properly considered and managed. This review will also

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	consider the effectiveness of controls where the council has allowed third party access to our systems (for example, by Health providers).
ICT Asset Management	To undertake a review of corporate ICT asset management to ensure that all significant assets are identified, recorded and traceable. As well as sampling across the authority, this audit will specifically look at the arrangements in place for the project overseeing replacement of obsolete Apple iPhones with new models.
IT and Digital Projects	To review the project management arrangements for a sample of high priority IT projects.
Emergency Planning and Response	Post Grenfell, to undertake a review across all 3 Orbis partners to ensure that appropriate systems are in place to identify and mitigate key risks across council services in regard to emergency planning.
Property Asset Management System (PAMS) Income	All property income due to the council is managed through the PAMS system, relying on integration for collection purposes through SAP. The purpose of the audit is to provide assurance that these two systems fully reconcile and that all income due to the council from its property portfolio is fully accounted for.
Anti-Fraud and Corruption	To cover the investigation of fraud and irregularities as well as proactive count-fraud work including the National Fraud Initiative (NFI) data matching exercise.

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Council Priority:	Supporting Our Vulnerable Adults
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Review Name	Outline Objective
Direct Payments (surplus balances)	This audit will focus on the controls and processes in place to identify and recover unspent balances on direct payments recipient accounts. The audit will also provide assurance over arrangements to re-review packages of care in the event that significant surplus balances have built up.
Direct Payments (payment cards)	This piece of audit work will examine the controls and governance arrangements in place as the council transitions to providing the recipients of direct payments with pre-loaded debit cards to make their funding more flexible.
Social Care Debt	This audit will involve a thorough review of the controls operating within Adult Social Care and Business Services to manage social care debt, particularly of aged debt and deferred debt.
Deprivation Of Liberty Standards	This is a follow-up audit scheduled for 2018/19 following a Partial Assurance opinion on the same area when reviewed in the previous year. The audit will focus on gaining assurance that agreed actions from the earlier audit have led to improvements in the service.
Transition of children in care into Adult Social Care	This audit will provide assurance over the effectiveness of arrangements for children in receipt of care through Children's Services as they transition as adults into Adult Social Care services. The review will also include a review of processes around children leaving care.
Public Health Commissioning Controls	A review of procedures and controls around services commissioned by Public Health to provide assurance that appropriate arrangements and are complied with for the identification and commissioning of the service, and that validation controls exist and are operated before payments are made.
Substance Misuse	A review of the effectiveness of the monitoring and strategic oversight of commissioned services to prevent substance misuse.

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Council Priority:	Helping Families Thrive
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Review Name	Outline Objective
Troubled Families	As a continuation of our work in this area, we will verify a proportion of result claims before they are made, including confirming families' eligibility for inclusion in the expanded programme and whether progress measures set out in the Troubled Families outcome plans have been achieved and evidenced.
Contact Bank Supervisors – claims for expenses	A specific review to assess the controls and governance arrangements in place for the payment of time and expenses due to contact bank supervisors employed as bank workers in Children's Services, who are engaged in the transport and supervision of children on court-ordered visits and other related activities.
Better Care Fund	This time in the annual plan is to allow for audits to be commissioned over specific aspects of both Better Care Fund activity and the integration of adult social care and health. The audits in this area are determined in year following discussion between Internal Audit and Adult Social Care/Clinical Commissioning Groups in light of emerging issues or areas for assurance work being identified.
Surrey Local Assistance Scheme	Building on the findings from audit work in 2017/18 this audit will seek assurance that new processes for the use of pre-paid cards minimise the risk of abuse of the system by staff or the public. Assurance will be provided on the controls in place for all of the support offered: prepaid cards; white goods; furniture (new contract); and travel warrants. The primary focus is on how these "awards" are administered within the LAS Team, but will also examine governance within white goods and furniture contracts e.g. delivery arrangements.

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Council Priority:	Protecting Our Vulnerable Young People
Review Name	Outline Objective
MASH and Early Help	We will continue to build on previous audit work in this area with a review to seek assurance that robust governance and processes are in place within the Multi-Agency Safeguarding Hub based at Guildford Police Station. This review will also examine the processes through which the MASH hands-off to Early Help, and will provide assurance that outcomes are as expected.
Children' Services - Quality Assurance	A review carried forward from 2017/18 plan at the request of the CSF Strategic Director, this audit will examine the underpinning principles and practices within the CSF Quality Assurance function and seek assurance over how it drives improvement within service practice.
Children's Services – Integrity of Data	A review to examine arrangements for the collection, and interpretation of key data within Children's Services that is used for sophisticated planning and modelling of future service provision and resource planning.
Unaccompanied Asylum Seeking Children	This is a follow-up audit scheduled for 2018/19 following a Partial Assurance opinion on the same area when reviewed in the previous year. The audit will focus on gaining assurance that agreed actions from the earlier audit have led to improvements in the service.
'Prevent' Agenda	To provide assurance that the local authority is meeting all of the statutory duties under the Prevent agenda. This will include both a review of compliance with strategic principles and an examination of the detailed aspects of the legislative requirements, including how council and school premises are let to avoid lettings being made to groups of an inappropriate nature.

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Council Priority:	Investing In Our Schools
Schools	We will continue our audit coverage in schools, which will involve a range of assurance work, including follow-ups of previous audit work and themed reviews. In addition, we will continue to work with Children's Services colleagues and Babcock 4S to help improve the level of scrutiny and challenge provided to our maintained schools. We will also work with our Orbis partners to provide bulletins and guidance for schools in the areas of risk, governance and internal control.
Academy Transition Arrangements	This review will consider the governance arrangements in place for managing the transition for schools becoming academies, having regard to the risks for both the schools themselves and the County Council.
Schools Data Analysis	An allocation of days to allow data analysis to be undertaken on financial and other information from SIMS in order to inform the service about potential risks and issues arising within schools in terms of procurement, staff costs and expenses, and overall budget management.
Schools Safeguarding Arrangements	To provide assurance over the completeness and accuracy of information reported by all schools (maintained, academy, voluntary, free and independent) to the council as part of statutory reporting of safeguarding issues under the Education Act 2002.
Non Maintained Independent School Placement	This is a follow-up audit scheduled for 2018/19 following a Partial Assurance opinion on the same area when reviewed in the previous year. The audit will focus on gaining assurance that agreed actions from the earlier audit have led to improvements in the service.

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Council Priority:	Improving Our Roads
Highways Contract Management (Kier Supply Chain)	The scope of the audit will be the Kier supply chain to provide assurance over the adequacy of the monitoring by the councils major highway contractor. The focus of testing will be subcontractor performance to ensure all works are delivered to agreed timescales and provide value for money.
Traffic Management	This audit will provide assurance that following the restructure within E&I, the Traffic System Team are effectively engaging with stakeholders to ensure that the newly let contract effectively manages traffic flow across the county, and that the team successfully handle complaints and other enquiries from the public.
Street Lighting PFI	To review the governance arrangements and contract management procedures in place following a change in team composition post restructure.

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Council Priority:	Caring For Our Environment
Green House Gas / Carbon Reduction Credits	This is an annual audit to provide assurance that the figures published by the council for Green House Gas Emissions and Carbon Reduction Credits are complete and accurate.
Surrey Wildlife Trust	A review to assess the effectiveness of governance arrangements in place for this partnership with the county council. The audit will also examine the council's contribution to the estate, and how income streams are managed and can be maximised.

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Service Management and Delivery

Review Name	Outline Objective
Annual Report and Opinion, and Annual Governance Statement	Creation of Annual Report and Opinion / Annual Governance Statement.
Action Tracking	Ongoing action tracking and reporting of agreed, high risk actions.
Audit Committee and other Member Support	Ongoing liaison with members on internal audit matters and attending Audit and Governance Committee meetings and associated pre-meetings.
Audit and Counter Fraud Reporting	Production of periodic reports to management and Audit and Governance Committee covering the results of all audit and counter fraud reporting.
Audit and Counter Fraud Management	Overall management of all audit and counter fraud activity including allocation and work scheduling.
Client Support and Advice	Ad hoc advice and guidance and support on risk, internal control and governance issues provided to clients and services throughout the year.
Orbis IA Developments	Audit and corporate fraud service developments including quality improvement and ensuring compliance with Public Sector Internal Audit Standards.
Organisational Management Support	Attendance and ongoing support at organisational meetings, e.g. Extended Leadership Team (ELT), Strategic Risk Forum, and Investment Panel.
Client Service Liaison	Liaison with clients and departmental management teams throughout the year.
External Liaison	Liaison with external auditors and other external bodies, including attendance at national and regional audit groups and counter fraud hubs.
Strategy and Annual Audit Planning	Development and production of the Internal Audit annual plan including consultation with management and members.
System Development and Administration	Development and administration of Audit and Fraud Management systems.

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