

Revised Internal Audit Annual Plan 2020-21

1. Introduction

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- 1.1 Unsurprisingly, as for all Council services, the Coronavirus pandemic has had a significant impact on Internal Audit, including the way in which our staff work, the nature of the work we are able to carry out and the extent to which we are able to deliver our planned audit activities.
 - 1.2 As explained in previous update reports to this Committee, the decision was taken at the outset of the pandemic to effectively suspend all 2020/21 planned audit activities in order to avoid interfering with the organisation's response to the pandemic and also to enable us to refocus our efforts on providing advice and support to services over the control environment, especially where significant changes to working practices have been required.
 - 1.3 Now that much of this work is in the process of being completed, it has been necessary to revise the original approved audit plan in order to reflect the new risk environment and the reduced period of coverage. The purpose of this report is therefore to present to the Committee the revised plan for 2020/21, covering the period from September 2020 to March 2021. Full details of the revised Internal Audit plan are provided in Section 6 of this report.

2. Process for amending the plan

- 2.1 The update to the plan has followed a similar (but reduced) process as that used to produce the original 2020/21 Internal Audit Plan, including management's assessment of risk and our own risk assessment of the Council's major systems and other auditable areas. It has involved consultation with a range of stakeholders, the re-review of risk registers and external guidance where appropriate, comparison with other authorities' plans across the Orbis partnership, and our knowledge of the impact of Covid 19 on this organisation and the delivery of its services.
- 2.2 Despite the extent of changes that have been made to our audit coverage in 2020/21, it is anticipated that, taking into account the Covid 19 reactive work carried out in the first part of the year (reported to this Committee in October), and delivery of the revised plan set out below, sufficient work will still have been completed to enable the Chief Internal Auditor to provide an overall annual internal audit opinion for the organisation covering 2020/21. Periodic update reports on progress and performance of the service will continue to be provided to management and the Audit and Governance Committee.

3. Deletions from the original approved audit plan

- 3.1 The table below details the proposed deletions/deferrals from this year's Internal Audit Plan, only three of which are key financial systems. These are the audit of the General Ledger, Treasury Management, and Pension Fund Investments, which will be scheduled for quarter 1 of 2021/22. The prioritisation of the other audits in this list will be considered as part of the audit planning process for 2021/22.

| Directorate | Audit Title |
|--------------------|---|
| ASC | Mental Health |
| ASC | Reablement |
| ASC | Operating Model |
| ASC | Hospital Teams |
| ASC | Social Care Debt (note: now combined with Financial Assessments & Income audit) |
| CFLC | Libraries |
| CR | Corporate Governance |
| CR | Risk Management |
| CR (Finance) | General Ledger |
| CR (Finance) | Treasury Management |
| CR (Finance) | Pension Fund Investments |
| CR (Finance) | Twelve15 |
| CR (Finance) | Making Tax Digital |
| CD (IMT) | Departmental IT Teams |
| CR (IMT) | End User and Senior Stakeholder Behaviour |
| CR (IMT) | IT&D Major Projects |
| CR (IMT) | GCSX Replacement |
| CR (IMT) | Orbis cross-authority working arrangements |
| ETI | Countryside Contract |
| ETI | Brightwells Contract |
| ETI | Highways Reprocurement |
| PH | Smoking Cessation contract |

4. Additions to the Original Audit Plan

- 4.1 The following audits have been added to the revised Internal Audit Plan for 2020/21. These include a number of reviews that have a direct focus on the Covid 19 pressures faced by the Council, and/or the Council's response to managing the impact of the pandemic.
- 4.2 A brief narrative description of each of the audits is contained within Section 6 of this report.

| Directorate | Audit Title |
|--------------------|--|
| ASC | Communities & Prevention |
| CR | Places For People |
| CR (Finance) | Capitalization |
| CR (Finance) | COVID-19 system changes |
| CR (Finance) | COVID-19 Track & Trace grant |
| CR (Finance) | COVID-19 additional Home-to-School/College grant funding |
| CR (Finance) | COVID-19 additional Bus Subsidy grant |
| CR (IMT) | Information Governance (Home Working) |
| CR (IMT) | ICT Asset Management during COVID-19 |
| CR (IMT) | Cyber Security during COVID-19 |
| ETI | Parking Review Process |

| Directorate | Audit Title |
|-------------|-------------------------|
| TPP | Community Projects Fund |

5. Counter Fraud

- 5.1 The Counter Fraud Team has continued to operate during the whole of 2020/21 and will continue throughout the remainder of 2020/21 with contingencies in place to ensure the delivery of both an effective reactive and proactive counter fraud service.
- 5.2 In addition, Internal Audit will promote an anti-fraud and anti-corruption culture within the Council to aid the prevention and detection of fraud. Through the work of the Counter Fraud Team, Internal Audit will maintain a fraud risk assessment and deliver a programme of proactive and reactive counter fraud services to help ensure that the Council continues to protect its services from fraud loss. This includes leading on the National Fraud Initiative data matching exercise on behalf of the Council.

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5. Revised Internal Audit Plan 2020/21

- 5.1 The table below details the full list of audits to be delivered as part of the revised 2020/21 Internal Audit Plan.

| Review Name | Outline Objective |
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| Adult Social Care | |
| Placements | A review to review the structure and governance arrangements of the new, central brokerage/placement team. |
| Communities & Prevention | Part of the focus of this service is increasing wellbeing and independence through community resources and therefore reducing the demand for social care, which is particularly important given the return/increase in demand following lockdown. ASC would like some assurance regarding whether they are making the most of opportunities for a joined-up approach and developing ways to strengthen the offer. |
| 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. |
| Public Health | We are holding a small contingency of time for Public Health Leadership Team to determine an assurance activity with Internal Audit for the last quarter of the financial year. |
| Children's, Families, Life-Long Learning & Culture | |
| ContrOCC | ContrOCC supports adults' and children's social care finance teams with the process of managing contracts and budgets, making payments and collecting contributions. This review will |

| Review Name | Outline Objective |
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| | provide assurance that the system is operating as expected in the post implementation stage. |
| SEND | To provide assurance around the Council's developing processes and systems in place for managing SEND service delivery. |
| EYES (Early Years and Education System) | Liquidlogic has released a product which combines Education Management, Early Years, Social Care and Early Help into one solution. It features a Children's solution on one database with 3 linked modules; Early Years and Education (EYES), Early Help, and Children's Social Care, plus an integrated Adults solution. This review will provide advice, support and assurance as this project evolves to ensure that appropriate controls and safeguards are designed within the processes and are implemented on go-live. |
| Schools Programme | To provide assurance that processes and controls within maintained schools are sufficiently robust to provide the council with understanding and assurance around school financial and non-financial activities. This may involve specific schools-related audit work as well as thematic reviews. |
| CFLC Data Integrity (<i>completion of 2019-20 carry-forward audit</i>) | To complete the 2019/20 audit paused during lockdown in which we will provide assurance over the arrangements in place to ensure that data management within Children's Services management and operational systems is robust and data quality is high. |
| Community Protection Group | |
| Business Continuity | To provide assurance over the Council's arrangements for Business Continuity Planning, taking into account lessons learned from the management of the COVID-19 pandemic. |
| Health & Safety | To follow-up management actions implemented since the original audit, which reported an opinion of Partial Assurance in 2019/20. |
| Corporate Resources (Finance) | |
| Procure to Pay | To review the processes and key controls relating to the accounts payable system, including those in place for ensuring the accuracy of vendor details, the processing of invoices, goods receipting and promptness of payments. |
| Order to Cash | To review the processes and key controls relating to the accounts receivable system, including those in place for ensuring the accuracy of customer details, completeness, accuracy and timeliness of invoicing, recording and matching payments to invoices, and debt recovery. |
| Pension Fund 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 (including contributions from other admitted bodies). |
| Financial Assessments & Income | To review the key controls in place for both the financial assessment process, including the collation and analysis of information from care recipients to ensure correct calculation of |

| Review Name | Outline Objective |
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| | contributions occurs in a timely fashion, and a review of the benefit calculation process to ensure correct payments are made. This review also includes a review of social care debt. |
| Revenue Budgetary Control | A review of the council's budget management arrangements, to include an assessment of the extent to which planned savings are being delivered. |
| Payroll | To review controls in relation to the staff payment system, including those relating to starters, leavers, temporary and permanent payments, variations of pay, and pre-employment checks. |
| Capitalisation | To review arrangements within capital projects for the accurate capitalization of revenue costs for staff to get correct split of costs. Review of arrangements in place including timesheeting and record keeping |
| Treasury Management <i>(completion of 2019-20 carry forward audit)</i> | To complete the 2019/20 audit paused during lockdown which will review and assess the adequacy of key controls and procedures across the council's Treasury Management arrangements, including cash flow forecasting, segregation of duties, financial investments and use of treasury advisers. |
| Capital Programme <i>(completion of 2019-20 carry forward audit)</i> | To complete the 2019/20 audit paused during lockdown which will review processes and key financial controls across the council. The review will include capital expenditure monitoring, funding, receipts, borrowing and capital accounting. |
| Pension Fund Investments <i>(completion of 2019-20 carry forward audit)</i> | To complete the 2019/20 audit paused during lockdown which will review and assess the adequacy of the SCC Pension Fund management and governance arrangements, and examine arrangements for obtaining assurance over the adequacy of the control environment of pension fund investment managers and the custodian. |
| COVID-19 System Changes | To revisit changes to processes and systems that were made in response to Covid-19 to ascertain whether these remain appropriate and, if so, are adequately controlled. |
| SFRS FireFighter's Pension Schemes | To follow-up management actions implemented since the original audit, which reported an opinion of Minimal Assurance in 2019/20. |
| Bus Subsidy Grant | To provide to the DfT the annual certification for the funding of bus subsidy grant monies received in 2019/20. |
| Local Transport Capital Block Funding | To provide to the DfT the annual certification for the funding of various highways schemes received in 2019/20, including extra monies obtained for additional winter highway repairs. |
| Local Transport Revenue Block Funding | To provide to the DfT a certification for the funding of Blue Badge New Criteria Implementation specific grant received in 2019/20. |
| COVID-19 additional Bus Subsidy Grant | To provide to the DfT certification over three additional tranches of funding of bus subsidy grant monies received in 2020/21 as COVID-19 emergency funds. |

| Review Name | Outline Objective |
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| COVID-19 Track & Trace Grant | To provide assurance in accordance with the Grant Determination for this COVID-19 specific funding stream. |
| COVID-19 Home-to-School/College Grant | To provide assurance in accordance with the Grant Determination for this COVID-19 specific funding stream. |
| Troubled Families | Certification of periodic grant claim returns in-year on behalf of Children's Services to enable the release of funds from the DfE, including confirmation of families eligibility for inclusion and evidence that outcome plans have been achieved. |
| Digi-Tourism Grant (EU) | To provide First Level Controller (FLC) certification for Semesters 4 and 5 of this EU funded project (Digi-Tourism - virtual and augmented reality in tourism). |
| Urban Links to Landscape Grant (EU) | To provide FLC certification for Semesters 4 and 5 of this EU funded project (UL2L: influencing policy for use of urban fringe land). |
| IMAGINE Grant (EU) | To provide FLC certification for Semesters 3 and 4 of this EU funded project. |
| Corporate Resources (IMT) | |
| Information Governance (Home Working) | The audit will review the controls to ensure information governance arrangements are in place when working remotely, including a review of the controls over printing, confidentiality of data, use of communication and 3rd party 'cloud' tools. We will also ensure there are appropriate arrangements in place to undertake the investigation and reporting of Data Breaches (remotely). |
| Asset Management during COVID-19 | This review will evaluate the adequacy of the controls in place over ICT asset management to support remote working arrangements. |
| Cyber Security during COVID-19 | This review will ensure that cyber security controls that are in place remain appropriate and continue to function as expected in this period. |
| Children's Safeguarding Data Handling | Social workers/safeguarding teams often use video to record interviews and other interactions with children. The length of interviews can mean that the file sizes are significant and this creates issues with handling these files in a secure and encrypted way. This audit will seek to ensure there is an appropriate Data Protection Impact Assessment in place and this is complied with, appropriate permissions are sought, and that data is encrypted in transit and deleted as appropriate. |
| ERP Programme Support | Orbis IA will attend programme board and working group meetings to provide independent advice, support and challenge on risk, control, probity and governance issues. In addition to attendance at programme board and working group meetings, we will identify a number of key assurance focus areas to support the programme. At this early stage this is likely to include: • Programme Governance/Risk Management • Business processes |

| Review Name | Outline Objective |
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| | (both on and off system) • System security • User access, authentication and authorisations • Testing arrangements • Data cleansing and migration • Interfaces and reconciliation • Disaster recovery and business continuity • Training |
| General Data Protection Regulation (GDPR) | This audit will follow-up the previous GDPR audit (Partial Assurance) to ensure actions have been implemented as agreed and to identify any further work required to comply with the requirements of GDPR. |
| Corporate Resources (other) | |
| Contract Management | A review across the council to provide assurance that contract management arrangements are sufficiently robust to ensure that contracts in place are cost effective, provide value for money and achieve the objectives they are designed to deliver, and are managed effectively in line with Procurement Standing Orders and other relevant guidance |
| Capital Project Management | A review across the council to provide assurance that significant capital projects are sufficiently robust to ensure that contracts in place are cost effective, provide value for money and achieve the objectives they are designed to deliver, and are managed effectively in line with relevant guidance. |
| Places for People | To examine governance and decision making arrangements in relation to the council's joint venture partnership - Places for People. |
| PAMS Income | To follow-up management actions implemented since the original audit, which reported an opinion of Partial Assurance in 2019/20. |
| Surveillance Cameras | To follow-up management actions implemented since the original audit, which reported an opinion of Partial Assurance in 2019/20. |
| Environment, Transport & Infrastructure | |
| Pavement Horizon | This review will provide assurance that pavement works are carried out in line with criteria and use data analytics to identify potential distribution patterns requiring further investigation/explanation. |
| Parking Review Process | To provide assurance that the Parking Review Process is fit for purpose, in particular in relation to timeframes and response to residents. |
| Transformation, Partnerships & Prosperity | |
| Transformation Programme | To continue the programme of audit and assurance work that began in late 2017/18 to review aspects of the council's Transformation Programme. This work will provide assurance over key governance arrangements; over the robustness of business case information; the post-transformation control environment; and that effective risk identification and mitigation measures exist. |
| Community Projects Fund | To provide assurance over the governance arrangements being developed for the new £100m capital projects scheme for community projects, assisting with development of a robust |

| Review Name | Outline Objective |
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| | governance framework and accessible bid and acceptance processes. |
| Code of Conduct | To follow-up management actions implemented since the original audit examined processes around Gifts & Hospitality and Declaration of Interests, which reported an opinion of Partial Assurance in 2019/20. |
| Use of Consultants <i>(completion of 2019-20 carry-forward audit)</i> | To complete the 2019/20 audit paused during lockdown which will provide assurance over revised Council processes and procedures for the retention of external consultants. |
| Internal Audit Service Management and Delivery | |
| Action Tracking | Ongoing action tracking and reporting of agreed, high risk actions. |
| Annual Internal Audit Report and Opinion | Creation of the Orbis Internal Audit Annual Report and Opinion for 2020/21. |
| Audit and Fraud Management | Overall management of all audit and counter fraud activity, including work allocation, work scheduling and Orbis Audit Manager meetings. |
| Audit and Fraud Reporting | Production of periodic reports to management and Audit Committee covering results of all audit and anti-fraud activity. |
| Audit Committee and other Member Support | Ongoing liaison with Members on internal audit matters and attending Audit Committee meetings and associated pre-meetings. |
| Client Service Liaison | Liaison with clients and departmental management teams throughout the year. |
| Client Support and Advice | Ad hoc advice, guidance and support on risk, internal control and governance matters 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 to organisational management meetings, e.g. Orbis Customer Board, Information Governance Board, Orbis Customer Board, Corporate Health and Safety meetings. |
| Strategy and Annual Audit Planning | Development and production of the Internal Audit Strategy and Annual Audit Plan, including consultation with management and Members. |
| System Development and Administration | Development and administration of Audit and Fraud Management systems. |

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