

# INTERNAL AUDIT PLAN

## 2022-23



Review Name	Outline Objective
<b>Finance</b>	
Accounts Payable (Procure to Pay)	Document and test within Unit 4 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.
Accounts Receivable (Order to Cash)	Document and test within Unit 4 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.
General Ledger	Document and test within Unit 4 the key controls relating to the maintenance and operation of the general ledger, including suspense accounts, reconciliations, journals and year end procedures.
Pension Fund (LGPS)	<p><i>Our plan provides for 100 days of assurance activity over the Council's administration of the LGPS pension fund. This time covers IT audit work, key financial system review, assurance work around the Pension Turnaround Programme, and ad hoc requests for advice and support.</i></p> <p><i>Two key financial systems reviews are also included here:</i></p> <p><b>Pension Fund Administration:</b> 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). This review provides assurance over both the Local Government Pension Scheme and, separately, the Surrey Fire Pension Schemes</p> <p><b>Pension Fund Investments:</b> A review to assess the adequacy of the 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.</p>
Financial Assessments & Income Collection	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 contributions occurs in a timely fashion, and a

# INTERNAL AUDIT PLAN

## 2022-23



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	review of the benefit calculation process to ensure correct payments are made.
Revenue Budgetary Control	Document and test within Unit 4 the Council's processes and key controls to ensure robust revenue budgetary control is achieved.
Payroll	Document and test within Unit 4 the key controls and processes in relation to the staff payment system, including those relating to starters, leavers, temporary and permanent payments, variations of pay, and pre-employment checks.
Treasury Management	Document and test within Unit 4 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 Budgetary Control	Document and test within Unit 4 the Council's processes and key controls to ensure robust capital budgetary control is achieved.
Grant Certification	
Transport Capital Grants	To check and certify the grants received have been properly accounted for in accordance with the requirements of the Department for Transport.
Bus Subsidy	To check and certify the grants received have been properly accounted for in accordance with the requirements of the Department for Transport.
Troubled Families	Certification of periodic grant claim returns in-year on behalf of Children's Services to enable the release of funds from the Department for Levelling-Up, Housing and Communities.
Home to School Transport Grant	To check and certify the grant(s) received have been properly accounted for in accordance with the requirements of the Department for Education.
Digi-Tourism (EU)	To provide First Level Controller (FLC) certification for this EU funded project (a grant to develop virtual and augmented reality in tourism) as necessary in-year.
Urban Links To Landscape (EU)	To provide FLC certification for this EU funded project (a grant to develop influential policy for use of urban fringe land) as necessary in-year.
IMAGINE (EU)	To provide FLC certification for this EU funded project (research into an Inclusive Market Agriculture Incubator in North-West Europe) as necessary in-year.

<b>INTERNAL AUDIT PLAN</b> <b>2022-23</b>	 <b>SURREY</b>
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Review Name	Outline Objective
Substance Misuse Universal Grant	This grant provides money for the prevention of substance misuse through supporting Public Health and partner services. We will certify the annual expenditure against this grant income for the Department of Health and Social Care.
Adult Weight Management Grant	The Adult Weight management Services Grant is a new ringfenced grant available to local authorities to support the commissioning of adult behavioural weight management services. We will certify the annual return for this grant to the Department of Health and Social Care.
Test and Trace Grant	The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred in relation to the mitigation against and management of local outbreaks of COVID-19. We will certify the annual grant return for expenditure against this grant before its return to the Department of Health and Social Care.
IT and Information Governance	
Unit 4 ERP solution (DB&I Programme)	We will continue to provide independent advice, support and challenge on risk, control, probity and governance issues in respect of this programme.
MySurrey User Access and Security Review	A review of the security arrangements for the new Unit 4 ERP system ('MySurrey') post go-live.
Firewatch (SFRS)	FireWatch is a Human Resources Enterprise Resource Planning (ERP) system designed to support resource planning, response and prevention. It can also be utilised to manage assets and fleet. This application audit will review all major input, processing, and output controls, including the controls in place to interface with any other systems and ensure appropriate system ownership and responsibilities are known.
PLANON	The Planon application has been implemented as the council's property asset management system. The system has a number of modules and from a financial perspective, the highest risks relate to the repairs and payment modules. This audit will review the effectiveness of the application controls, including all major input, processing and output controls. We will review the controls in place to interface with other systems and ensure appropriate system ownership and responsibilities are known.
Proactis	The Proactis system was implemented in April 2021 and is used to control and manage procurement and spend. The system allows suppliers to upload and manage their own

## INTERNAL AUDIT PLAN 2022-23



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	<p>details, including bank account information. This audit will review the effectiveness of the application controls for the Proactis application, including all major input, processing and output controls. We will review the controls in place to interface with any other systems and ensure appropriate system ownership and responsibilities are known.</p>
iConnect Application Audit	<p>i-Connect is a secure platform which automates the submission of pension data from admitted and contributing authorities. This audit will evaluate the effectiveness of the controls, particularly those that ensure access to the application is appropriate, data is sufficiently protected and those that support the accuracy of the data.</p>
Pension Fund Cyber Security Arrangements	<p>Pension schemes hold large amounts of personal data and assets which can make them a target for fraudsters and criminals. This audit will review the effectiveness of the controls in managing Cyber security risks against the pension fund. The audit will use the Cyber security principles for pension schemes as issued by the Pension Regulator as a basis for assessing the effectiveness of these controls.</p>
Kofax Application Audit	<p>Amongst other uses, the Kofax application is used across the Authority to redact personal and sensitive information prior to releasing information as part of Freedom of Information or Subject Access Requests. This audit will review the effectiveness of the application controls for the Kofax application, including all major input, processing and output controls. We will review the controls in place to interface with any other systems and ensure appropriate system ownership and responsibilities are known.</p>
Information Governance (Subject Access Request and Freedom of Information Reporting Arrangements)	<p>The Freedom of Information Act 2000 (FOIA), which came into effect on 1 January 2005, governs and increases rights of access to information held by public authorities (other than personal information which continues to be governed by the Data Protection Act (DPA) 2018). Under the DPA 2018, an individual can submit a Subject Access Request for the information which they are entitled to ask for under section 7 of the DPA 2018. This audit will look to provide assurance that controls are in place to allow the Authority to respond to all FOI and SAR requests in a timely manner and that there is sufficient reporting and governance processes in place to monitor and manage performance.</p>

# INTERNAL AUDIT PLAN

## 2022-23



Review Name	Outline Objective
MetaCompliance Application Audit	The MetaCompliance application can be used to simulate Phishing attacks, provide e-learning, manage policy and manage awareness and privacy management. This audit will review the effectiveness of the application controls for the MetaCompliance application, including all major input, processing and output controls. We will review the controls in place to interface with any other systems and ensure appropriate system ownership and responsibilities are known.
IT Asset Procurement (VfM)	The COVID-19 Pandemic has put significant demands on authorities to provide IT assets to its officers to enable them to work remotely. In many cases these officers were office based prior to the COVID-19 global pandemic, so IT departments have had to respond by providing mobile devices (e.g. laptops and mobile phones) to a significant number of officers as well as other peripheral items such as monitors and mice, to support Display Screen Equipment (DSE) requirements. With the expansion of remote working, IT Hardware is in greater demand than ever before. The objective of the audit is to provide assurance that controls are in place and are operating as expected to support ensure value for money is achieved from the procurement of ICT hardware assets.
Children's Safeguarding Data Handling	Social workers/safeguarding teams often use video to record interviews and other interactions with children. This audit will seek to ensure there is an appropriate Data Protection Impact Assessment (DPIA) in place and being complied with, appropriate permissions are sought, and data is encrypted in transit and deleted as appropriate.
Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations (2021/22): follow-up audit	The Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 came into force in September 2018. They state public sector bodies must make their websites or mobile applications more accessible by making them 'perceivable, operable, understandable and robust'. The people who need to use them are often the people who find them hardest to use. These regulations mean that the Council has a legal duty to make sure all its websites and applications meet accessibility requirements. This audit will review the actions taken and controls in place to ensure that all internal and externally facing websites and applications meet, comply, and continue to comply, with the new regulations. This audit will follow-up the previous

# INTERNAL AUDIT PLAN

## 2022-23



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	actions agreed when an opinion of Partial Assurance was provided.
Procurement of IT systems	The procurement of IT systems often form part of major transformation projects, the emergence of cloud-based systems also means it's easier than ever for services and departments to procure systems which can store and process significant amounts of council data without such corporate oversight. This audit, which compliments our IT application audits, will seek to ensure that controls are in place to ensure that all systems procured are subject to appropriate IT oversight and that all Information Security and Information Governance risks are known, understood and appropriately managed.
Cyber Security	Review of the key controls operating for managing the significant risks in relation to Cyber Security.
Support for Strategic Projects and Programmes	
Your Fund Surrey	Your Fund Surrey (YFS) is a Surrey County Council led grants initiative, with a five-year plan to award £100m of capital funding to bring community led and initiated projects to life which benefit the wider community and leave a lasting legacy. We will provide advice and assess compliance with procedures as the initial tranche of successful applications progress through to payment of grant.
Innovation Fund	To review governance arrangements around this new area of funding, where the Council has identified £15m capital funding to support economic growth between 2022/23 and 2026/27. Funding is restricted to investment in capital projects, originally identified for digital infrastructure.
Support for Corporate Governance	
Risk Management	To review the council's revised and refreshed risk management framework to ensure that the council's newly adopted processes and framework have been embedded effectively across directorates.
Corporate Governance	To provide advice and support on maintaining robust corporate governance arrangements and to provide input into the process of producing the council's Annual Governance Statement.
SCC Local Authority Trading Companies (Governance Arrangements)	Local Authority Trading Companies (LATCs') are bodies that are free to operate as commercial companies but remain wholly owned and controlled by the parent council, providing their services to a wider market than a council department. SCC operates 4 such LATC's, and our audit will

## INTERNAL AUDIT PLAN 2022-23



Review Name	Outline Objective
	review and assess the underpinning governance arrangements in place to ensure they are effective and transparent.
Officer Code of Conduct: follow-up audit	We will follow-up implementation of agreed actions following our last audit in 2021/22, and will provide advice in the planned redrafting of the Code of Conduct due in 2022.
<b>Children's, Families, Lifelong Learning and Culture</b>	
Home to School Transport: follow-up audit	We will follow-up the implementation of agreed actions following our completed audit in 2021/22 to ensure the expected improvement to the control environment has been achieved.
SAfE Contract	The SAfE contract (Surrey Alliance for Education) undertakes early identification of vulnerable schools, and brokers support for them. Our audit will look at the processes for identifying vulnerability and assess the effectiveness of the contract and its impact on schools; the processes they use to undertake school support and challenge; and the value for money provided by the service.
Single View of a Child (EMS and Finance Improvement Programme)	The Single View of a Child (SVOAC) programme aims to fundamentally improve the way in which SCC manages education services for children. The programme includes the implementation of two additional Liquidlogic products: the Early Years & Education System (EYES); and Liquidlogic Integrated Finance Technology (LIFT). This review will provide build upon work in the 2021/22 plan and provide advice, support and assurance as the project evolves to ensure that appropriate controls and safeguards are designed in the processes and are implemented on go-live. This will include assurance work to address risks around compliance with system workflows, complete and accurate recording of case documentation, and robust user access controls. We will support the EMS sub-project through controls testing and assurance work in the EYES system, whilst likewise for the Finance Improvement Programme we will test and validate controls within the LiquidLogic LIFT solution.
<b>Health, Wellbeing and Adult Social Care</b>	
Adult Social Care Reform	The Government's proposed changes to the cap on care costs and capital thresholds will create significant financial pressures for the council. Our audit will review the

## INTERNAL AUDIT PLAN 2022-23



Review Name	Outline Objective
	Council's preparedness to manage and implement potential changes under the Social Care Reforms, including the cap on care costs and capital thresholds.
Discharge to Assess Funding	Discharge to Assess (D2A) funding made available during the pandemic has resulted in high numbers of self-funders receiving care. There is currently no model in place for April onwards, when D2A funding is expected to end. Our audit will provide assurance that there is a suitable, cost-effective strategy in place to deal with hospital discharges once funding ends, and consider the value for money achieved through the current D2A spend.
Mental Health	Following the end of the S75 agreement in 2019/20, Mental Health services transferred to the Council. Our audit will provide assurance over the processes and controls in place to manage these services, including a review of the underpinning governance arrangements and internal control environment.
Environment, Transport & Infrastructure	
Highways Contract	The new Highways contract is due to commence in April 2022, and Highways teams have been realigned to support the new contract. This audit will provide assurance over the early performance and effectiveness of these arrangements.
Greener Futures Strategy	Our assurance work will continue to support the Council's ambition to become carbon neutral by 2030. This review may consider the effectiveness of specific aspects of the developing agenda, including the new concession for electric vehicle points as part of the de-carbonisation of travel, and also the Agile Organisation Programme.
Surrey Fire & Rescue	
XPS Contract	This audit will review the effectiveness of the recently outsourced contract for the delivery of administrative services for the Surrey Fire Pension Fund.
Resources	
Procurement & Contract Management Review	Analysing data from council systems, this review will seek assurance that where suppliers have been paid more than £75,000 (over a 4-year aggregated period) the Council's Procurement Standing Orders have been complied with and value for money has been demonstrated.
Social Value in Procurement	An audit to review the contract management framework and provide assurance over how contract managers ensure that social values (including ethical practices,

<b>INTERNAL AUDIT PLAN</b> <b>2022-23</b>	 <b>SURREY</b>
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	green/sustainable procurement, community enhancement) embedded in contracts are being monitored and delivered.
Connect2Surrey Joint Venture	Connect2Surrey is a new Joint Venture with Kent Commercial Services to replace the interim/temporary recruitment contract previously held with Adecco. Our review will assess compliance with the new arrangements.
Contingencies	
Anti-Fraud and Anti-Corruption	To deliver the 2022/23 Fraud Response Plan for SCC which includes work on fraud awareness, data analytics, cyber fraud, conflicts of interest, excessive personal use of council IT equipment and ad hoc investigations.
Emerging Risks	A contingency budget to allow work to be undertaken on new risks and issues identified by Orbis IA and/or referred by management during the year.
General Contingency	A contingency budget to allow for effective management of the annual programme of work as the year progresses.
Service Management & Delivery	
Action Tracking	Ongoing action tracking and reporting of agreed, high risk actions.
Annual Report, Opinion and AGS	Creation of Annual Report and Opinion / Annual Governance Statement.
Audit & Fraud Management	Overall management of all audit and counter fraud activity, including work allocation, work scheduling and Orbis Audit Management meetings.
Audit & Fraud Reporting	Production of periodic reports to management and Audit and Governance Committee covering results of all audit and counter fraud activity.
Audit Committee and member support	Ongoing liaison with members on internal audit matters and attending Audit and Governance Committee meetings and associated pre-meetings.
Client Service Liaison	Liaison with clients & departmental management teams.
Client Support and Advice	Ad hoc advice, guidance and support on risk, internal control and governance matters provided to clients and services across the year.
Orbis Internal Audit Developments	Audit and counter fraud service developments, including quality improvement and ensuring compliance with Public Sector Internal Audit Standards.

<b>INTERNAL AUDIT PLAN</b> <b>2022-23</b>	 <b>SURREY</b>
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Review Name	Outline Objective
Organisational Management Support	Attendance and ongoing support to organisational management meetings, e.g. Finance SMT, Governance Panel, etc.
Strategy & Annual Planning	Development and production of the Internal Audit Strategy and Annual Audit Plan, including consultation with management and members.
System Development & Administration	Development and administration of audit and fraud management systems.