

Internal Audit Plan

2021-22 (Q4)

West Sussex County Council



# Southern Internal Audit Partnership

Assurance through excellence  
and innovation

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## Introduction

The role of internal audit is that of an:

*‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.*

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of Internal Audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant Executive Directors, Directors and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership’s continued contact and liaison with those responsible for the governance of the Council.

## Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Neil Pitman, Head of Southern Internal Audit Partnership, supported by Karen Shaw, Deputy Head of Partnership; and Keith Phillips, Bev Davies, Iona Bond and James Short, Audit Managers.

### Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2015 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

*'It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to **all** of these principles contained within the International Professional Practice Framework (IPPF); the Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).*

*There are **no instances** across these standards where we determined a standard below "generally conforms", and 4 instances where the standard is assessed as "not applicable" due to the nature of SIAP's remit.'*

### Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team which are required to be disclosed under internal auditing standards.

In the development of the Our Council Plan, West Sussex County Council have recognised it needs to operate in a different context to that prior to the COVID-19 pandemic and have responded by building a new model of priorities for the next four years and beyond.

Our Council Plan acts as a framework for the Council to operate in a way that means they are clear on what they want to achieve and what they will do to achieve their priorities, but we are flexible to respond to whatever comes our way.



This plan sets out where the Council will focus its efforts over the next four years. It is set out and organised around four priorities with an underpinning theme of climate change.

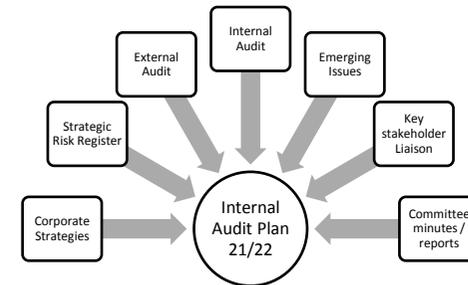
- **Keeping people safe from vulnerable situations**
- **A sustainable and prosperous economy**
- **Helping people and communities to fulfil their potential**
- **Making the best use of resources**

The priorities are underpinned by a range of ‘outcomes’ of things they will aim to achieve for people who live and work in the county and ‘key performance indicators and targets to measure their progress and impact in achieving their stated outcomes.

## Developing the internal audit plan 2021/22

We have used various sources of information and discussed priorities for internal audit with the following groups:

- Executive Leadership Team
- Directorate Management Teams
- Other Key Stakeholders
- Regulation, Audit and Accounts Committee



In accordance with the Public Sector Internal Audit Standards there is a requirement that Internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals.

In response to the continued uncertainty of the future impacts of COVID-19 coupled with the organisations prioritisations in responding to the crises the Southern Internal Audit Partnership has moved to a quarterly planning process to ensure internal audit focus remains timely and relevant to the changing needs and requirements of the organisation. This report details proposed internal audit coverage during quarter 4.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation. We will however continue to work closely with other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance is obtained.

In light of the continued challenges presented through the COVID 19 pandemic the SIAP have adapted their operating model and continue to work virtually through the use of a range of conferencing software.

All members of SIAP have the use of Teams, Skype and Zoom on their mobile devices that enable interaction with each of our clients. The team have quickly adapted to working virtually completing testing through liaison and screen sharing with clients who have equally engaged positively to the new and enforced approach.

## Internal Audit Plan 2021-22 (Q4)

## Governance

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Our Council Plan	CE	Integrity of data and systems to support established KPI's	-	Q1
COVID-19 Contingency	CE	To undertake grant certification work and provide assurance in respect new or emerging COVID related risks – Vaccination preparedness in Care Homes. Initial review to determine readiness for legislative deadlines with a follow up to provide assurance on the embeddedness of end-to-end process	CR68 CR70	Q3-Q4
Health & Safety	HR&OD	To review policy, process and compliance following the H&S team being brought back in-house. 📄	CR50	Q2
Emergency Planning, Business Continuity, Service Resilience	CFO	Plans are regularly reviewed and account for changes in operating model(s) (incl. working from home). Also consider provision for Senior Manager capacity (CR70). 📄	CR68 (CR70)	Q3
Information Governance - GDPR	DL&A	Awareness & compliance with particular consideration of increased home working – confidentiality, printing, retention, disposal etc.	CR39b	Q3
HR Policy Review	HR&OD	To ensure completeness and compliance with key HR policies	-	Q4

## Keeping people safe from vulnerable situations

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Think Family	EDCY&L	Mandatory grant return	-	Q1
Firewatch	CFO	Review of controls in place to ensure key data held in the system is complete, accurate and up to date pending integration into Oracle	-	Q1
Communications and Equipment	CFO	Following a recent visit by Ofcom, to review the structure and governance of the Information and Systems Group and the controls in place within fleet and engineering to manage pagers, radios and masts.	-	Q4

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Assurance Mapping–Children’s Services	EHCYP&L	To map service assurances across the three lines to determine duplication / gaps in the assurance attained. To include a focus on compliance with legislation and government policy.		Q3
CYPS&L Practice Improvement Workstreams	EHCYP&L	To assess scope following review of pending report from the Commissioner for Children’s Services in West Sussex	CR69	Q4
Operational Training	CFO	Review policy, process and governance. Provide assurance that all operational staff are fully trained for their role meeting the required standards.		Q2
Fleet Management	CFO	Review the effectiveness of fleet maintenance scheduling ensuring the fleet is safe, fit for purpose and complies with DVSA requirements		Q2
Working Time Directive	CFO	Review controls in place to ensure that hours worked are effectively monitored and in line with the Working Time Directive.		Q3
Risk & Business Continuity	CFO	Effectiveness of the risk management and business continuity processes throughout WSFRS allowing lessons learnt to be effectively captured and fed forward to improve future response.		Q2
Safe & Well	CFO	To ensure robust controls are in place following the introduction of the Farynor system.		Q4

### A sustainable and prosperous economy

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Home to School Transport	EDPS	Full review of Home to School Transport provision following a previous limited assurance audit. 	ES026	Q1
Highways Maintenance	EDPS	Review of contract management arrangements and effective delivery of the highways maintenance contract with Belfour Beattie	HTP56	Q1

<b>Audit Review</b>	<b>Directorate Sponsor</b>	<b>Potential Scope</b>	<b>Risk</b>	<b>Proposed Timing</b>
Equality Impact Assessments	DHT&P	To review effectiveness of governance and compliance in the required completion of EIAs.	LA7	Q3
Climate Change Strategy	DE&PP	To build on the governance review and look at the embeddedness and achievement of objectives / priorities	EPP74 PA005	Q3
Ash Dieback	DHT&P	Project in place to identify and manage affected trees across the county.		Q3

### Helping people and communities to fulfil their potential

<b>Audit Review</b>	<b>Directorate Sponsor</b>	<b>Potential Scope</b>	<b>Risk</b>	<b>Proposed Timing</b>
School Thematic – Governance (Decision Making - Salaries)	EDCYP&L	Assurance that the pay decision process in relation to Senior Leaders is tightly correlated to strong educational outcomes and sound financial management, that where outside of the relevant banding for the size of school, guidance is adhered to.	-	Q1
School Thematic – Summer School Funding	EDCYP&L	Assurance over the compliant use of available funding	-	Q4
SFVS	DE&S	Mandatory requirement - review of the SFVS returns to identify areas of weakness / non-compliance to inform School Thematic Reviews / Individual School Visits	-	Q1
SFVS	DE&S	Mandatory requirement – collection of 2021/22 returns including additional requirements for related party transactions	-	Q4
Hammonds (Residential Care Home)	EDA&H	Establishment audit following a wider thematic review which focused on cash handling and reconciliations	-	Q1

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Capital Project Delivery (Education)	DE&S/DP&A	End to end review of project process to ensure compliance and timely delivery.	ES047 PA007	Q2
Adults Income	EDA&H	Review of policies and procedures ensuring service users are in receipt of the benefits to which they are entitled and are paying an appropriate contribution toward the cost of their care.	FSS49	Q2
AMHPS	EDA&H	To build on prior review to provide assurance on the newly embedded operating model.	ASC022	Q2
Payments to Providers - Adults	EDA&H	Review efficiency of payments to provider processes considering potential over assurance and the adequacy of management oversight.		Q3
Assurance Mapping-Adult Services	EDA&H	To map service assurances across the three lines to determine duplication / gaps in the assurance attained.		Q3
Commissioning, Contract Management and Care Quality	EDA&H	To focus on Adults Advocacy Service – contract management		Q4
Adults Contingency	EDA&H	Review areas to be determine following completion of assurance mapping		Q4
Special Educational Needs	DE&S	Assurance on commissioning of places and processes for ensuring VFM	ES008	Q4

#### Making the best use of resources

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
People Framework	HR&OD	Assurance on delivery and embedding of the People Framework as an underpinning foundation to the Reset Plan	CR11	Q1
Smartcore (Oracle Fusion)	DF&SS	Assurance over project management and delivery of significant change programme. 	FSS44	Q1

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Fraud (Proactive / Reactive)	DF&SS	Range of proactive and reactive initiatives to help identify and mitigate the risk of fraud (see Fraud Plan).	-	Q1-Q4
Annual Governance Statement	DL&A	Review of the framework to develop and report the AGS.	CR7	Q1
Payroll	DHR&OD	Cyclical review of core financial system		Q1
Contract Management	Corporate	Assurance on the deliverables of a selection of key contracts and the effectiveness of contract management arrangements		Q1
IT Transition Programme	DF&SS	To review governance arrangements for the transition of IT services from Capita.		Q1
Financial Resilience	DF&SS	The pressures created by COVID have been significant and the long-term effects on BAU remain unclear. There also remain the existing budget pressures that were known prior to COVID and remain now and into the future. To review future planning and assumptions within the MTFs. 📄	CR22	Q3
Account Receivable	DF&SS	Fundamental system review		Q3
Budgetary Control	DF&SS	To review governance, accountability and compliance with processes in place to control and monitor budgets ensuring early detection and escalation of potential pressures and underspend.		Q2
IR35	HR&OD	Compliance with statutory requirements and recent legislative changes. 📄		Q2
Savings Realisation	DF&SS	To assess realisation of savings target / initiatives as detailed in business plans.	CR22	Q3
IT Governance	DF&SS	Information Technology Infrastructure Library (ITIL) Process Transition		Q4
IT Assurance Mapping	DF&SS	To map service assurances across the three lines to determine duplication / gaps in the assurance attained.	CR39a/b	Q4

<b>Audit Review</b>	<b>Directorate Sponsor</b>	<b>Potential Scope</b>	<b>Risk</b>	<b>Proposed Timing</b>
IT Contingency	DF&SS	Reviews to be confirmed (potentially email & document management)	CR39a/b	Q4
Parkside Service Charge Review	DP&A	Independent verification of service charges relating Parkside (County Hall North).		Q3
Procurement	DF&SS	Sub £100k spend – data analytical review		Q4
Treasury Management	DF&SS	Cash flow is adequately planned, with surplus monies invested in line with the Council's Treasury Management Strategy		Q4

### Grants

<b>Audit Review</b>	<b>Directorate Sponsor</b>	<b>Potential Scope</b>	<b>Risk</b>	<b>Proposed Timing</b>
Highways Maintenance	DHT&P	Statutory grant certification		Q2
HIV PrEP	DPH	Statutory grant certification		Q2
Additional Home to school transport				Q3-4
Bus Services Operator Grant				Q3-4
Local Energy Communities for the two seas region				Q4
Management and review				Q1- Q4

 - indicates reviews deferred from 2020/21 and brought into the 2021/22 plan

## Audit Sponsor

### Chief Executive

Chief Fire Officer (CFO)  
Director of Human Resources and Organisational Development (HR&OD)  
Director of Law and Assurance (DL&A)  
Director of Finance and Support Services (DF&SS)

### Executive Director, Adults & Health

Director of Public Health (DPH)  
Joint Strategic Director of Commissioning (JSDC)

### Executive Director Place Services

Director of Highways Transport and Planning (DHT&P)  
Director of Environment and Public Protection (DE&PP)  
Director of Property and Assets (DP&A)  
Director of Communities (DC)

### Executive Director of Children, Young People and Learning

Director of Education and Skills (DE&S)