



Southern Internal Audit Partnership

Assurance through excellence
and innovation

WEST SUSSEX COUNTY COUNCIL INTERNAL AUDIT PLAN 2023-24 (Q2)

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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 2020 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:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'

We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

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.

West Sussex County Council – Our Council Plan 2021 – 2025

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.

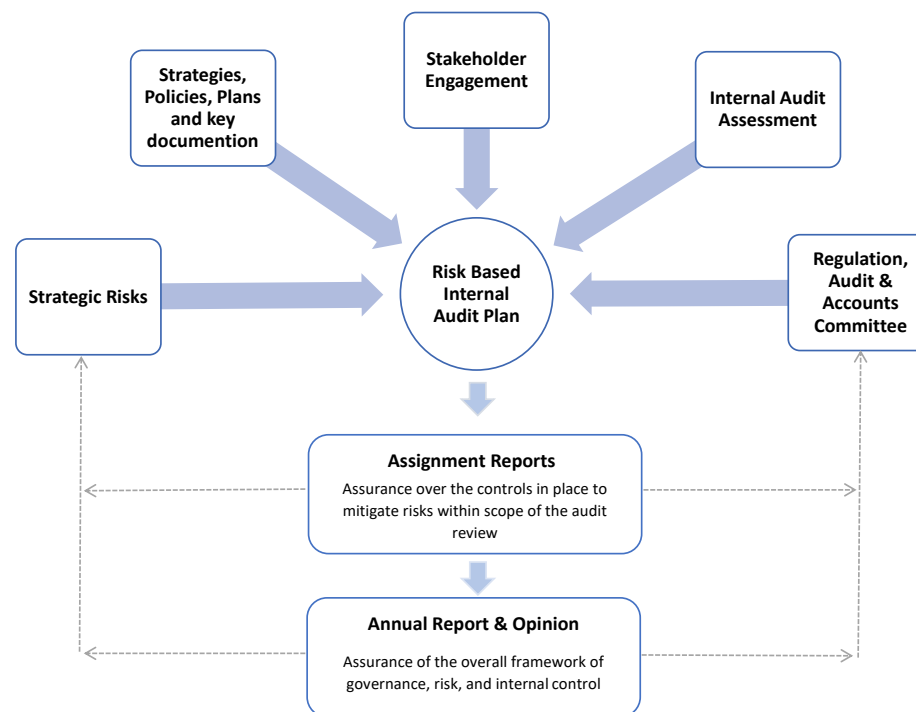
Developing the internal audit plan 2023/24

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.

Audit planning is a perpetual process throughout the course of the year to ensure we are able to react to new and emerging risks and the changing needs of the organisation.

To ensure internal audit focus remains timely and relevant the Southern Internal Audit Partnership has moved to a quarterly planning process.

Based on conversations with key stakeholders, review of risk registers, key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed a plan of proposed internal audit coverage during quarter 1.



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.

Internal Audit Plan 2023-24 (Q2)

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Governance				
Corporate Complaints	DL&A	Assurance over collation, distribution, timeliness, compliance, and governance with corporate complaints processes.	CR7	Q1
Right to Work process	DHR/OD	Review the right to work process for compliance considering ongoing staffing challenges and increased international recruitment.	CR11	Q1
Contract Management (Thematic)	DA&H	Assurance on the deliverables of a selection of key contracts and the effectiveness of contract management arrangements (focus within Public Health)		Q1
Risk Management	DFSS	To review the risk management framework, to include escalation and de-escalation of risks and the effectiveness of risk controls / actions to mitigate identified risks.		Q1
Ethical Governance	DL&A	In accordance with PSIAS (2110.A1) to evaluate the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities. To focus on assertions within the AGS.		Q2
Ill Health Retirements	DHR/OD	Commissioned by DHR/OD – scope TBC		Q2
Public Consultations	DL&A	To ensure the effectiveness and compliance with the mandatory requirements of engagement with key stakeholders in the consultation of key decisions and initiatives.		Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Keeping people safe from vulnerable situations				
Ball Tree Croft (residential care home)	DA&H	Review of internal processes to provide assurance over key elements e.g., cash handling / client money / security		Q1
Financial Adult Safeguarding Team (FAST)	DF&SS	To provide assurance on the framework of control to support the delivery of key functions including the management of client affairs.		Q2
High Value Placement - Adults	DA&H	Review of high value placements to include award, review and procurement of care provision		Q2
Supporting Families – Quality Assurance	DCYP&L	Following the implementation of a new system software, to review the quality assurance processes in place for supporting families		Q2
A sustainable and prosperous economy				
Highways Depots (health & Safety)	DPS	Assurance over the responsibility, accountability, and delivery of Health and Safety at Highways depots		Q2
Highways Claims	DPS	To review the end-to-end process for the reporting and completion of highways claims.		Q2
WSFRS - Group Crewing System	CFO	Review of controls in place to support the group crewing policy, including the monitoring, and reporting arrangements, control of pay back shifts etc.		Q2
WSFRS – H&S Peer Review – follow up	CFO	To follow up on the implementation of actions detailed with the H&S peer review.		Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Helping people and communities to fulfil their potential				
School Thematic - Financial Arrangements	DCYP&L	School thematic – to review financial arrangements within schools e.g., budget monitoring and reporting to leadership and governors		Q1
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
Independent Lives (contract management)	DA&H	To review the contract management arrangements for services in the delivery of independent lives, ensuring the council is receiving services in accordance with contractual obligations and vfm is attained.		Q2
School Thematic – recruitment checks	DCYP&L	School thematic – to review effective recruitment checks are completed prior to the employment of staff at schools e.g., right to work, DBS, qualifications, references etc.		Q2
Direct Payments (Children’s)	DCYP&L	To provide assurance over Direct Payments processes for children.		Q2
Making the best use of resources				
Overtime (Corporate)	DHR/OD	Analytical review of overtime looking at authorisation, working time directive compliance and vfm.	CR11	Q1
IT Network Strategy and Implementation	DF&SS	Assurance over the effective governance, maintenance, and delivery of the organisations IT Network Strategy.		Q2
Parkside Accounts	DPS	Review Parkside accounts and charges for independent assurance provided to tenants		Q2
CIPFA Financial Management Code	DF&SS	Conformance with the CIPA Code which provides guidance for good and sustainable financial management in local authorities.		Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Fraud (Proactive / Reactive)	DF&SS	Range of proactive and reactive initiatives to help identify and mitigate the risk of fraud. (Appendix 1)	-	Q1-Q4
Pensions – Employer Contributions	DF&SS	To provide assurance on employer contribution processes in light of new rates, new actuarial certificate and pension fund cashflow.		Q2
Debt Recovery	DF&SS	To review the debt recovery process (dunning, legal, write off) and ensuring clarity on roles, responsibility and accountabilities.		Q2
Grants / Other –				
Supporting Families (Claim 1)	DCYP&L	Requirement to verify sample of claim.	-	Q1
Supporting Families (Claim 2)	DCYP&L	Requirement to verify sample of claim	-	Q2
Bus Service Operators Grant	DPS	Review in accordance with grant determination	-	Q2
Management				Q1-4

Audit Sponsor

Chief Executive
Becky Shaw

Chief Fire Officer (CFO) Sabrina Cohen- Hatton	Director of Adults & Health (DA&H) Alan Sinclair	Director of Children, Young People & Learning (DCYP&L) Lucy Butler	Director of Place Services (DPS) Lee Harris	Director of Finance & Support Services (DFSS) Taryn Eves	Director of HR/OD (DHR/OD) Gavin Wright	Director of Law & Assurance (DL&A) Tony Kershaw
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Counter Fraud Plan

Leaders of public service organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management.

Published in October 2014, the CIPFA Code of Practice on Managing the Risk of Fraud & Corruption sets out the principles that define the governance and operational arrangements necessary for an effective counter fraud response.

It is these principles that underpin the Southern Internal Audit Partnership's approach to support the management of the risk of fraud and corruption within the County Council.



The County Council promotes a zero tolerance culture to fraud and corruption:

'West Sussex County Council is determined that the culture and tone of the organisation is one of honesty, openness and absolute opposition to fraud and corruption. The Council's expectation on propriety and accountability is that members and staff at all levels will observe the highest standards in ensuring adherence to legal requirements, rules, procedures and practices.' (WSCC - Anti Fraud & Corruption Strategy)

The County Council maintains a suite of strategies and policies to support the effective management of the prevention, detection and investigation of fraud and corruption (Anti Fraud & Corruption Strategy and Fraud Response Plan; Whistleblowing Policy and Anti Bribery Policy). This document provides an extension to the County Council's existing policies affording a framework of reactive and proactive initiatives to detect fraud and/ or demonstrate assurance that fraud has not taken place.

The Counter Fraud Plan compliments the internal audit strategy and annual plan focusing resource against assessed fraud risks in addition to new and emerging threats.

Reactive Fraud Activity

The Southern Internal Audit Partnership will work seamlessly with management in the effective review and investigation of any reported incidents of fraud and irregularity. All such reviews will be co-ordinated by professionally accredited (CIPFA (CCIP), ACFS) staff, in accordance with the County Council's Anti-Fraud & Corruption Strategy.

By its nature such reactive fraud and irregularity work is unpredictable with regard its level and duration. Recent history has demonstrated in relative terms limited levels of required activity in respect of reactive fraud work within the County Council, however, a contingent level of capacity for such eventualities is considered prudent.

Proactive Approach

Whilst the established process to reactive fraud assists the County Council in responding to notified incidents or suspicions of fraud and irregularity, it is equally important to ensure proactive initiatives are appropriately explored to understand, prevent, and detect fraud risks across the organisation.

The Southern Internal Audit Partnership's understanding of the County Council's service activities coupled with research from national surveys / publications, our attendance at national counter fraud networks and our previous proactive fraud activities across our wider Partnership have been used to inform our identified proactive reviews for 2023-24.

We are continuing to develop the use of data analytics and this will be used to underpin our proactive reviews through the year wherever possible.

It is also recognised that 2023 is a National Fraud Initiative match release year and as such the Southern Internal Audit Partnership will be facilitating this process to ensure that appropriate levels of investigation are undertaken on identified positive matches.

Additionally, we will liaise and facilitate work required regarding information requests received from other local authorities during the process of their investigations into positive matches. This work commenced in late January 2023 when the Match reports were released by the Cabinet Office.

Counter Fraud Plan 2023-24

Activity	Scope	Due Date	Expected Outcome
Reactive Fraud Activity	To respond to the Council's need to commission investigations into fraud or irregularities to which it becomes aware during the course of the year.	Q1- Q4	To conclude any commission review within agreed timescales in liaison with key stakeholders, police or external agencies as required including attendance at disciplinary meetings or court as required.
Proactive Fraud Activity			
CIPFA Fraud Survey	Completion of the annual CIPFA fraud survey (if issued by CIPFA).	Q2	Access to the results of the national survey which provides useful benchmarking information and information into fraud trends which is used to inform the proactive fraud plan.
National Fraud Initiative	To facilitate the timely review of positive matches as released in January 2023 and responding to requests for information from other local authorities.	Q1- Q4	Identify and make appropriate enquiries into identified matches and ensuring appropriate recovery action is instigated as appropriate.
Proactive Fraud Reviews: <ul style="list-style-type: none"> • Pool Cars • Overtime • 1 TBC 	<p>Indicative projects have been identified on the basis of relevance to fraud exposure, any national trends or local intelligence emerging. This may be subject to change depending on new/emerging risks identified.</p> <p>Data analytics will be utilised to enhance the depth and breadth of work undertaken within each project.</p>	Q1 – Q4	<p>Identification of weaknesses within the control processes where due consideration to fraud exposure may not have been considered to enable corrective action to be taken.</p> <p>Identify any potential exposure to fraud activity that warrants additional in-depth review.</p>
Training & Awareness	To maintain a level of fraud awareness across the organisation (including training)	Ongoing	<ul style="list-style-type: none"> • Issue of Fraud Bulletins • Issue of Briefing Notes • Review and update of corporate eLearning training

Activity	Scope	Due Date	Expected Outcome
Annual Report on Fraud & Irregularity	To produce an end of year report to those charged with governance covering all reactive and proactive fraud initiatives.	Q1 (2024-2025)	To present a report to ELT and Regulation, Audit & Accounts Committee outlining progress against the 'Fraud Action Plan 2023-2024' relaying outcomes, assurance, investigations, sanctions, savings etc. as appropriate.