

Internal Audit Plan

2020-21

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; Antony Harvey, Deputy Head of Partnership; 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.

Developing the internal audit plan 2020/21

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.

A paper was submitted to the Executive Leadership Team on 5th March 2020 within which a refreshed approach to planning and engagement with Senior Management was agreed. The paper was included on the agenda for the Regulation Audit & Accounts Committee scheduled to take place on 23 March 2020, however, due to the COVID outbreak the meeting was subsequently cancelled.

The approach sought to strengthen the effective engagement with Senior Management and better optimise internal audit resource in key areas of significance and risk across the Council through the process of assurance mapping. This approach would seek to identify and record the key sources of assurance that inform management and those charged with governance on the effectiveness of the controls and processes that are relied on to manage identified organisational (strategic and departmental) risks, thus highlighting areas of under assurance where internal audit would be best placed to add value to the organisation.

A timeline was scheduled and agreed with ELT whereby internal audit would facilitate a series of workshops with Senior Management to discuss key risk, mitigating controls and sources of assurance received to enable management confidence that the controls are operating effectively. In acknowledgement of timescales a Q1 plan was agreed through consultation with ELT and agreement that workshops would be undertaken with the outcomes of the assurance mapping process being available to inform Q2 to Q4 planning. Regrettably, however, due to the impact of COVID 19, workshops have been unable to progress.

Consequently, a more traditional approach was adopted and through meeting (virtually) with stakeholders, review of key corporate documents and our understanding of the organisation the Southern Internal Audit Partnership have developed an annual audit plan for the coming year. The plan, this year, more so than ever will remain fluid to react to the inevitable changing needs and risks of the organisation. The Southern Internal Audit Partnership will remain flexible in our approach to best accommodated such changing needs.

With the unprecedented scale of COVID-19 coupled with the speed of its impact and the wide ranging challenges it has presented, the County Council have had to react promptly and positively to the complex issues raised to ensure that the essential services they provide and the best interest of the people they serve are protected and maintained. The exceptional demands this crisis has placed on the County Council has necessitated new and different ways of working to navigate the unique challenges posed.

Such challenges and subsequent resolutions bring with them new and emerging risks that management need to consider, manage, and mitigate. In response, the Southern Internal Audit Partnership has considered and incorporated emerging risk areas within the 2020-21 plan that more prominently present themselves or are born by the necessary or imposed actions to meet and address the crisis we currently face.

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 challenges presented through the COVID 19 pandemic the SIAP have adapted their operating model 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 2020-21

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Corporate Cross Cutting - COVID-19				
Governance - COVID	Corporate	Interim arrangements to ensure appropriate governance and decision-making including delegated powers, enforced alternative operating models/processes for service delivery	CR68	Q2
Health and Safety (homeworking / PPE/ workspace social distancing)	Corporate	Responsibilities to staff whilst home working, effective allocation of PPE, social distancing in the workplace, preparedness for staff returning to the workplace, HSE assessments.	CR68	Q2
Staff Welfare / Wellbeing / Performance Management	Corporate	Arrangements over duty of care for staff welfare during extended period of isolation including consideration of wellbeing and mental health. Effectiveness of performance management during extended periods of homeworking.	CR68	Q2
Market Underwriting / Procurement	Corporate	Process, due diligence, and impact of payments to providers despite reduced or ceased services. Robustness of procurement and decision-making process, emergency procurements / purchases, compliance with Contract Standing Orders, use of PCards. Due diligence of new suppliers.	CR68	Q2
Contract Management – Supply chain	Corporate	Considerations of protecting supply chain (mandate fraud / conflicts of interest / duplicate invoices / inflated claims / product substitution).	CR68	Q2
Emergency Planning / Business Continuity / Service resilience	Corporate	Completeness and effectiveness of internal policies and procedures to enable continuity of service. Establish lessons learnt from response to the first lockdown to ensure preparedness for future events (e.g. second peak). Service resilience to avoid single points of failure.	CR68	Q2
Central Government Grants (allocation)	Corporate	Assurance over the processes and due diligence to support the allocation of COVID related grants e.g. care homes support package.	CR68	Q2

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
PPE Cell	Corporate	Assurance that the Council are fulfilling their requirements with regard to PPE in line with their Covid-19 PPE Strategy and national guidance.	CR68	Q1
Recovery	Corporate	Governance and recovery actions in place to return to business as usual.	CR68	Q2-4
Corporate Cross Cutting				
Health and Safety	D - HR & OC (Interim)	Effective governance, accountability, and ownership to protect the Council against a serious health & safety incident	CR50 HTP58	Q3-4
Corporate Governance	D – L&A	Review and monitor the timely implementation of actions / recommendations from the Good Governance Project	CR65	Q2-4
Programme and Project Management	Corporate	Review the framework for managing programmes and projects	CR59	Q2-3
Corporate Projects Support	Corporate	Critical friend/advisory role for significant corporate projects including Smart Core and Customer Digital	CR59 FSS7	Q1-4
Risk Management	D - FSS	To review strategy, approach, and embeddedness within the organisation.	FSS10	Q2
Fraud (Proactive / Reactive)	Corporate	Range of proactive and reactive initiatives to help identify and mitigate the risk of fraud (see Fraud Plan).		Q1 - 4
Annual Governance Statement	D – L&A	Review & contribute to the Annual Governance Statement.	-	Q1-2
Finance and Support Services				
Procurement (sub £100k)	D - FSS	Assurance over sub £100k procurements and associated category management to provide greater oversight and VFM	FSS7 FSS35	Q3
Financial Resilience	D - FSS	Impact of COVID, reassessment of financial risks and impact of assumptions in the MTFS (income, reserves, investments). Implications on saving programmes / work streams.	CR22 CR59	Q2-3

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Debt Recovery / Write off	D – FSS / D – L&A	Effectiveness of current policy and processes in managing debt through to legal action and write off. Impact of COVID-19 on debt recovery and reduced income driven by financial hardship	CR22	Q3
Grant Returns	D – FSS	Mandatory audit review of grant returns	-	Q1-4
Contract Management	D – FSS	Review of the embeddedness of the corporate contract management arrangements and support	FSS7 FSS35	Q4
Pensions	D - FSS	To address any residual risks maintained by the Council following transfer of pensions administration to HCC		Q2
IT				
Network Infrastructure Management and Monitoring	D – FSS	A review of procedures and processes to ensure that the infrastructure enabling connectivity, communication and operation of the corporate network are planned, operated and maintained so as to support the organisation's business objectives.	FSS41	Q1
Follow up of Limited Opinion Audits	D – FSS	Follow-up of the implementation of actions taken to address the issues identified in previous audits	FSS41	Q2
Cyber Security	D – FSS	Review of risk treatment plans for the cyber security	CR39a FSS39a	Q4
Cloud Service Provisioning	D – FSS	Review of governance in the commissioning and procurement of Cloud based applications. Due diligence with supplier selection and the implications of changes to provisions after procurement.	FSS41	Q3
Endpoint & Peripheral Provisioning	D – FSS	Provisioning is administered through appropriate governance processes and provides demonstrable vfm.	FSS41	Q4
Email & Document Management	D – FSS	Corporate awareness and compliance with data management and retention to ensure security and legislative compliance.		Q3

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Highways, Transport and Planning				
Highways Statutory Inspections	D – H, T & P	Following restructuring, assurance over the Inspections Team’s quality assurance framework	HTP58	Q3
Ash Dieback	D – H, T & P	Assessment of risk / cost implications and delivery of the project to address the risks of Ash Dieback.	HTP61	Q2-3
Home to School Transport	D – H, T & P	Full review of Home to School Transport provision following a previous limited assurance audit.	ES026	Q3
Environment and Public Protection				
Carbon Strategy (carbon neutral by 2030)	D – E & PP	Review of strategy and approach for the Council to meet its stated ambition of being carbon neutral by 2030.	EPP69	Q2-3
Children, Young People and Learning				
Children, Young People and Learning Transformation Programme (Governance)	ED – C, YP & L	Assurance over the governance arrangements for the Children, Young People and Learning Transformation Programme	CR61 CR69 CFS001	Q2
Children, Young People and Learning Transformation Programme (Workstreams)	ED – C, YP & L	Pool of Audit Days to provide assurance over individual workstreams aligned to the delivery of the Children, Young People and Learning Transformation Programme / Individual audit reviews TBC with Executive Director.	CR61 CR69 CFS001	Q3-4
Children Safeguarding (Quality Assurance Framework)	ED – C, YP & L	Review of the embeddedness of the QAF implemented in April 2020.	CR61	Q3-4
Special Guardianship Allowances		Special Guardianship Order (SGO) Allowance payments are made appropriately, accurately, are consistent with legislative requirements and lead to successful delivery of the service.	-	Q1

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
SEND (Special Educational Needs)	ED – C, YP & L	Assurance on commissioning of places and processes for ensuring VFM.	ES008 ES027	Q3
Data Quality (Children's)	ED – C, YP & L	Assurance that data retained about children is effectively stored ensuring 'one view' of the child, so as not to enhance the risk of error or omission and compromise the quality of service to children and families	CFS10 ES020	Q4
Procurement – P-Cards	ED – C, YP & L	Review of P-Card procurement compliance with Corporate/Directorate guidance.	FSS7 FSS35	Q2
School Thematic Review(s)	ED – C, YP & L	Themes to be agreed with Executive Director / Director.	-	Q3-4
SFVS	ED – C, YP & L	Review of the SFVS returns to identify areas of weakness / non-compliance to inform School Thematic Reviews / Individual School Visits	-	Q1 & 4
School Reviews	ED – C, YP & L	Risk based reviews of a selection of WSCC maintained schools	-	Q3-4
School Traded Services	ED – C, YP & L	To review operating and costing model of traded services to schools	ES022	Q3
Think Family	ED – C, YP & L	Mandatory grant return	-	Q1-4
Adults & Health				
Adults Development Plan / Social Care Provision	ED – A&H	Pool of Audit Days to provide assurance over individual workstreams aligned to the delivery of the Adults Development Plan / Individual audit reviews TBC with Executive Director.	CR58	Q2-4
Approved Mental Health Professionals (AMHPs) / S75 Mental Health	ED – A&H	Assurances in place that the Council is able to meet the demand for mental health assessments	CR58 CR66	Q2-3
Adult Commissioning	ED – A&H	Assurance over the effective commissioning, operational strategy, and market positioning of the Council in respect of adult care.	CR58	Q4
Establishment Thematic Review(s)	ED – A&H	Themes to be agreed with Executive Director / Director.	-	Q3-4

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Data Quality (Adults)	ED – A&H	Assurance that data retained about adults is effectively stored ensuring 'one view' of the client, so as not to enhance the risk of error or omission and compromise the quality of service or risk to the individual		Q3-4
Adults Safeguarding Quality Assurance	ED – A&H	Review of the embeddedness of the QAF	CR58	Q3-4
S75 Governance	JSD – C	Review of governance and monitoring of S75 Agreements in place, their sustainability, and controls to mitigate their cessation	ASC018	Q3
Property & Assets				
Self Help in Schools	D – P&A	Review arrangements and governance over the schools self-help scheme.	-	Q4
Multi-Disciplinary Consultant (Contract)	D – P&A	Contract management review on the MDC contract with Faithful and Gould.	-	Q3
Human Resources & Organisational Change				
Management of restructures	D - HR & OC	Assurance over the processes for restructuring	CR7 HROC7	Q2
Compliance with HR requirements	D - HR & OC	Compliance with a selection of HR Policies including induction, learning and development, absence management	CR7 HROC7	Q3-4
Recruitment of Interims	D - HR & OC	Assurance over the processes to recruit interim staff.	CR11	Q1
IR35	D - HR & OC	Full review of compliance with IR35 requirements following a previous limited assurance audit.	CR11	Q3
Public Health				
TBC	D - PH	Pool of Audit Days to provide assurance over key systems, emerging risks etc. Review areas to be identified at planning meeting		TBC

Audit Review	Directorate Sponsor	Potential Scope	Risk	Proposed Timing
Fire and Rescue Services				
TBC	Chief Fire Officer	Pool of Audit Days to provide assurance over key systems, emerging risks etc. Review areas to be identified at planning meeting		TBC
Management, review, and contingency				Q1-4