

Internal Audit Strategy & Plan
2019/20





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Introduction

1. This report summarises the proposed work of Internal Audit for 2019/20. This has been developed in line with the Internal Audit Charter. The aim is to give an overview of areas to be covered during the year and to provide an opportunity to comment on the proposed coverage.
2. The audit plan has been developed to allow sufficient flexibility to respond to change which will happen during the year. Whilst every effort is made to deliver the plan as shown there will always be the need to respond to emerging risks and changing circumstances. The plan is therefore a statement of intent – our liaison meetings with senior management will ensure that it is reviewed regularly.
3. Internal Audit is a statutory service required by the Accounts and Audit Regulations 2015. It is also a key source of independent assurance for management, designed to add value and improve how the Council operates. The results of our work feed into the Council's Annual Governance Statement.
4. The work is performed in conformance with the UK Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN). These require that the scope of Internal Audit covers the whole range of the Council's activities, seeking to provide an annual internal audit opinion on the governance, risk and internal control environment of the County Council, which has been established to:
 - Achieve strategic objectives.
 - Ensure effective and efficient operational systems and programmes.

- Safeguard assets and interests of all kinds.
- Ensure the reliability and integrity of financial and operational information.
- Ensure economic, efficient and effective use of resources.
- Ensure compliance with established policies, procedures, laws, regulations and contracts.

Our Internal Audit Strategy

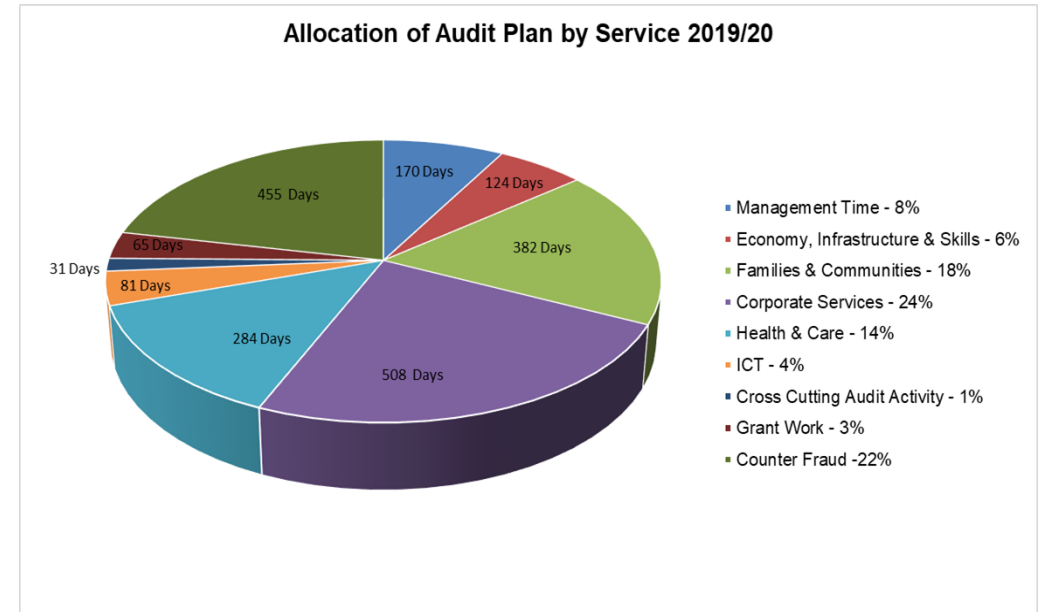
5. Our Internal Audit Strategy has been developed to take into account management's assessment of risk and key organisational objectives and priorities. This is obtained from the contents of the Corporate Risk Registers, our key critical services including IT systems, External Audit considerations, other internal assurance providers (i.e. Health & Safety and Information Governance Officers) and conversations with Senior Management to discuss potential changes/ areas of concern, including consideration of fraud risks within their area of control.
6. Also we use our own risk assessment against each activity assessing their materiality, sensitivity, significance and stability – ranking each area as high, medium or low risk. This allows each possible area to be prioritised based on risk, which then determines whether or not it will be included in the audit plan. A copy of the full risk assessment methodology is included in Appendix A.
7. The plan has been constructed to ensure that it delivers against the PSIAS and the requirement to produce an annual Head of Internal Audit opinion.
8. The annual risk-based plan is produced based on the following key principles:

- Assurance reviews with a high risk (i.e. >60%) ranking should be completed subject to variation as agreed with the County Treasurer (& Section 151 Officer).
 - Identification of 'Top Risk' Audits/Reviews.
 - Key Financial systems – reviewed on a cyclical basis.
 - A risk-based Schools' audit strategy is completed each year which inform our Schools' Compliance Programme for the year ahead.
 - An initial allocation of 200 days to conduct Special Investigations.
 - An initial contingency allocation – variable year on year.
 - Time to undertake pro-active counter fraud work.
 - Risk based programme of other compliance reviews.
9. We will work to co-ordinate our work on the key risk areas with the Council's External Auditors, Ernst & Young (EY) during 2019/20 through having a joint understanding which agrees where EY may consider the results of our work. This ensures that the Council gets the most out of its combined audit resource – keeping audit fees low.

Draft Internal Audit Plan 2019/20

10. We propose to allocate resources across each Service Area as shown in figure 1 with further details in Appendices B, C and D.
11. Top risks facing Councils continue to include pressures on finances and resources; changes in demand and demography and the impact of welfare reforms.

Figure 1 – Analysis of Audit Plan



12. The top risk audits/reviews for the County Council have been assessed as being the following areas in 2019/20:
- | | |
|--|---|
| 1. SEND Transformation: Governance; Joint Inspection; and High Needs Block | 7. ACFS – Financial Assessments |
| 2. Adult Social Care Pathway | 8. Children' & Families System Transformation: Place Based Approach |
| 3. Digital Development Programme Including Office 365 Project & Care Director Software (Adults & Children's Modules) | 9. Ofsted Improvement Plan (Children's Social Care Services) |
| 4. Strategic Property Asset Management & Governance | 10. Sales 2 Cash Including Debt Recovery Function & Debt Management |
| 5. Children's Commissioning | 11. People Strategy |
| 6. Cyber Security | 12. Care Commissioning Programme |

13. The full report for these areas will be issued to Audit & Standards Committee Members once the report has been finalised.

Draft Counter Fraud Audit Plan 2019/20

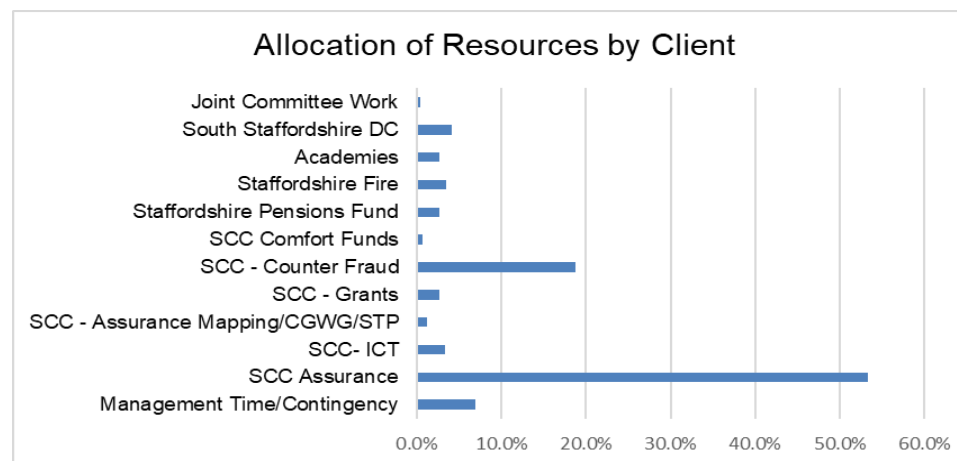
14. We propose to allocate resources to our counter fraud work as per the details in Appendix C. This provides a robust response to Central Government's expectations for tackling fraud and corruption. This demonstrates the Council's continued commitment to ensuring good governance during a period of significant change to service delivery.

Resources

15. The total resource requirement for Staffordshire County Council in 2019/20 is 2100 days. This is comparable with the level of coverage delivered in 2018/19.
16. The Section also provides and receives income for the delivery of the internal audit service/management, for the following External Clients:
- Staffordshire and Stoke on Trent Fire & Rescue;
 - South Staffordshire District Council;
 - Staffordshire Academies (via Entrust);
 - Staffordshire Pensions Fund; and
 - Comfort Funds/Joint Committee Work.
17. The income generated from this arrangement is circa £112,000 p.a.

18. The delivery model for the Internal Audit Service is mixed – a combination of in-house staff and external staff via a Framework Contract. This allows the section to be flexible and respond to peaks and troughs in demand and to buy in specialist resources as required. Use of the external Internal Audit framework will continue in 2019/20.
19. There are sufficient resources available to deliver the audit plans as detailed in Appendices B, C and D. This helps to ensure that the Council meets the requirements of the Accounts and Audit Regulations 2015 for maintaining an adequate and effective internal audit function and governance, risk and internal control environment.

Figure 2 – Allocation of Resources by Client



Performance & Quality Assurance Framework

20. Internal Audit within Staffordshire County Council operates in conformance with standards of best practice applicable to internal audit – the UK Public Sector Internal Audit Standards and the CIPFA Local Government Application Note. The Internal Audit team offer a wide depth of knowledge and experience gained across different organisations. We promote excellence and quality through our audit processes, application of the Quality Assurance Framework (Appendix E) and the training and development programme for staff.
21. The Quality Assurance Framework includes all aspects of the Internal Audit Activity – including governance, professional practice and communication.
22. The Internal Audit Charter sets out the role, responsibilities and authority of the Internal Audit Service within the County Council. This was initially approved in June 2014 and any amendments to its contents are endorsed by the Audit & Standards Committee annually.
23. Internal Audit remains sufficiently independent of the activities that it audits to enable auditors to perform their duties in such a way that allows them to make impartial and effective professional judgements and recommendations.
24. The Section use a number of ways to monitor performance, respond to feedback and identify ways in which to improve the service provided. Evidence of the quality of our audits is gained

through feedback from auditees and the results of supervision and quality assurance undertaken as part of our audit process.

25. The current performance measures are set out below in Figure 3 for information

Figure 3 – Current Performance Measures

Performance Indicator	Target
Reports issued to draft report stage: <ul style="list-style-type: none"> • Assurance Reports • Compliance Reports 	90% 90%
Average score for Quality Questionnaires from clients is equal to or exceeds the good standard: <ul style="list-style-type: none"> • Assurance Reports • Compliance Reports 	90% 90%

Service Plan Priorities/Challenges 2019/20

- To continue to assist in the development of the digital agenda across the Council to ensure that the control environment remains strong whilst exploiting the opportunities for more streamlined cost-efficient operations.
- To continue to implement and embed a data driven approach within our audit processes with the aim to improve efficiency; enhance assurance provided to senior management across business operations; strengthen monitoring; and provide valuable insight through quality audits.

- To continue to develop our continuous controls monitoring (CCM) programme, harnessing those tools and technologies to provide greater comfort over fraud risks faced by the Council. To include the expansion of CCM testing during 2019/20; the development of automated scripting as well as exploring the possibility of transitioning CCM from the third line of defence to the second line of defence as our suite of tests and scripting used for CCM are fine-tuned.
- To develop an assurance framework (map) for the top ten risks faced by the Council and contained in the Corporate Risk Register using the three lines of defence model, ensuring that there is a structured means of identifying and mapping the main sources and types of assurance within the Council; and co-ordinating them to best effect i.e. no gaps, minimal duplication allowing for an effective use of resources.
- To continue to raise the profile of the Counter Fraud Work Programme across the Council utilising the Service's new e-learning solution; the re-launching of our Fraud e-Newsletter across the Council and the offering of fraud awareness sessions to targeted service areas in pursuit of becoming a centre of excellence for counter fraud in the Region.
- To ensure that the Service continues to enhance and develop its operations to maintain its status within the Council and with its external clients as a competent, professional and respected Service which conforms to the latest PSIAS and the LGAN. As part of this, consideration will be given to how the Service can best supplement its knowledge and skills of the in-house team via use of specialist professional resources.
- To elevate our Service's performance and value further within the Council by applying and embracing agile auditing approaches to our work; by fostering rapid response to emerging issues, closer and continuous collaboration with stakeholders; a just-in time and proactive approach to the "right projects at the right depth/focus" and streamlined reporting.
- To pursue further partnership working with the Staffordshire Districts and evaluate alternative delivery models to ensure that internal audit resources are used across Staffordshire in the most cost-effective way.
- To procure a new audit management IT system solution during 2019/20 including enhanced reporting and management information to senior management on their systems of control.

Appendix A – Planning Risk Assessment Methodology

1. **Materiality X 2**

- a) *Financial value (income/expenditure), materiality, size of budget*
 Score between 1 (up to £100,000) 2 (up to £250,000) 3 (up to £1m) 4 (up to £5m) and 5 (above £5m)
- b) *No of transactions*
 Score between 1 (a small number of transactions per year) and 5 (significant numbers of daily transactions)

2. **Impact/Sensitivity X2**

- a) *Links to Strategic Plan 2018-2022/Political sensitivity*
 1=No links to Strategic Plan/ and/or no political sensitivity
 2 =No links to Strategic Plan / and/or minimal political sensitivity
 3=Indirect links with Strategic Plan/ and/or low level of political sensitivity
 4=Direct links with Strategic Plan/ and/or medium level of political sensitivity
 5=Direct links with Strategic Plan/ and/or high level of political sensitivity
- b) *Non-financial impact e.g. reputation*
 1= Managed /reported to Business Unit -Local Media (short term duration)
 2= Managed /reported to Heads of Service. Local media (Medium/Long Term duration)
 3= Managed /reported to Senior Leadership Team and Members Regional media (short term)
 4= Managed /reported to Members and Cabinet Regional/National media (Medium/ Long Term duration)
 5= Third Party intervention Public Interest Group, National/International media (Medium/Long Term duration)
- c) *Contained in the Corporate Risk Register*
 1 = No
 5 = Yes
- d) *Key Partnership* - This considers how important the partnership is to the achievement of the Council's Outcomes. Failure to deliver the objectives of the partnership poses a significant risk to the Organisation.
 1 = No
 5 = Yes

3. **Audit View - Previous Assurance Category**

- 1 = Substantial Assurance
 2 = Adequate Assurance
 3 = No Opinion has previously been given
 4 = Consultancy – system under development
 5 = Limited Assurance

4. **Time since previous audit**

- 1 =Audit carried out last year
 2 =Audit carried out 2 years ago
 3 =Audit carried out 3 years ago
 4 =Audit carried out 4 years ago
 5 =Audit carried out 5 years ago or more or where there has been no previous audit coverage

5. **Linkage to Risk Management - Controls Assurance**

- 1 = External Assessment reports available – positive assurance provided
 2.= Internal Controls assurance statement available – positive assurance provided.
 3.= Internal Controls assurance statement available – significant risks identified.
 4.= External Assessment reports available – control weaknesses identified
 5.= Nothing available

6. **Fraud**

- a) *Past experience or occurrence of fraud/irregularity*
 Score between 1 (no knowledge/experience of fraudulent activity/irregularity) and 5 (repeated occurrence of fraud/irregularity or experience of fraud/irregularity with significant financial value)
- b) *Inherent risk of fraud within the system.*
 Score between 1 (little known scope for intentional manipulation) and 5 (significant scope for intentional manipulation.)

7. **Stability of the System**

- 1.= Stable system, nothing has changed.
 2.= Stable system, changes proposed in year/ short term
 3.= New System in operation
 4.= System under development – limited to a specific service area
 5.= System under development – complex area affecting the whole of the County Council.

Appendix B – Draft Internal Audit Plan 2019/20

Area	No of Days	Indicative Scope
Families & Communities – Helen Riley		
SEND Transformation - Governance	35	<p>In 2018/19 Internal Audit helped to develop key controls for a SEND (Special Education Needs and Disability) Governance Framework to define roles, responsibilities and reporting structures for local hubs. Management has requested that Internal Audit undertake audits in two areas relating to SEND Governance:</p> <ol style="list-style-type: none"> 1. To review the governance structures to ensure that there is management oversight and development for the local hubs that are being set up. The intention is that the local hubs will be set up two per term from April 2019, therefore two hubs will be reviewed in September/October 2019 (10 days) and a further two hubs will be reviewed in February/March 2020 (10 days). 2. Decision making groups (DMG) have been set up at County level and in each district. Management have requested a review of a sample of DMGs to ensure compliance with the policy and processes when authorising and approving cases. (15 days).
SEND - Joint Inspection	15	<p>In November 2018 a joint inspection of the local Staffordshire area was undertaken by Ofsted and the Care Quality Commission (CQC) to review the effectiveness of the implementation of the SEND reforms as per the Children and Families Act 2014. The inspection found significant areas of weakness and required a Written Statement of Action to be submitted to Ofsted in April 2019.</p> <p>Management has requested that Internal Audit provide assurance that plans are in place to ensure the successful completion of actions, that the progress of these plans is adequate and are being monitored carefully.</p> <p>Work to be carried out in two stages:</p> <p>1st Stage: position statement to be produced on how well the Council is progressing with completing actions as per the agreed action plan. To be carried out and reported upon in June 2019 to inform the External Auditor's work in this area. (5 days)</p> <p>2nd Stage: To be undertaken towards the end of 2019/20 to give an overall assessment and assurance rating on the implementation of actions completed as per the action plan one year on from the Ofsted inspection. (10 days)</p>
SEND Transformation - High Needs Block	15	<p>During 2018/19 a High Needs Recovery Plan has been in place to tackle the projected overspends that have built up over the last few years. Most of the actions in the Plan have been implemented, However, it is recognised that there is a need for a combined strategic approach with all education providers to meet the financial challenges in the High Needs Block. The Council has started to work towards a new approach and would like Internal Audit's involvement in this area, although the scope of this work is to be determined.</p>
Children's Commissioning	10	<p>As part of children's transformation several reports have been undertaken on children's commissioning over the last few years as the Directorate seeks to address risks in this area. Much work has been undertaken to address the risks with changes and improvements reported to the Senior Leadership Team. A new model has been developed to report against outcomes.</p>

Area	No of Days	Indicative Scope
		Management has requested a high-level review to provide independent assurance that a plan is in place to ensure the successful completion of actions, progress is adequate and within timescales, and that the actions are being monitored. Final scope to be determined with the commissioner for this area.
Children & Families System Transformation: Place Based Approach	15	<p>The Children & Families System Transformation is aimed at reducing demand for services and improving outcomes for children and families. To do this, a new model of operation known as the place-based approach is to be implemented based on the pilots that have been running in two districts.</p> <p>The Director for Families and Communities has requested assurance that the operations within a sample of districts are in accordance with policies and procedures. The full scope of the work to be determined.</p>
Ofsted Improvement Plan (Children's Social Care Services)	20	<p>Ofsted inspection of children's social care services in February 2019 gave a good rating overall. However, some areas for improvement were identified and an action plan including timescales has been compiled.</p> <p>Management would like independent assurance from Internal Audit that: plans are in place to ensure the successful completion of actions; that the progress of these plans is adequate and within timescales, that the actions are been monitored.</p>
Adoption & Permanency Services - Regionalisation	10	There is a government requirement to regionalise adoption services for both local authorities and voluntary adoption agencies. This means that all services such as family-finding and support will be undertaken by a Regional Agency. The County Council will work in partnership with a number of local authorities (Shropshire, Stoke and Telford) to form a Regional Agency. The earliest that the partnership is likely to be operational is 2019/20. Time will be required in 2019/20 to support the Finance work stream in year.
Children's Services - Health Assessments	20	<p>SCC volunteered to be a pilot for the new Ofsted Framework for the inspection of children's social care services and received a good rating. There were, however, several areas for improvement one of which, related to timely initial health assessments for children coming into care. As a result, the Service has reviewed the processes and issued new guidance.</p> <p>Management would like Internal Audit to review the health assessments to ensure that they are following the new processes in a timely manner and if not the reasons for this. The sample will be taken from across all teams and will be for children coming into care for the first time after the processes have been implemented. Additionally, the review will cover the business support process as part of any initial health assessment.</p>
Family Health & Wellbeing	15	<p>New contract (value £10m) for 0-19 School Nurses and Health Visitors from April 2018 with a new provider and new model of operation. The Family Strategic Partnership Board monitor the outcomes framework for this contract and the areas that are rag rated red.</p> <p>The contract has now had time to embed so management have requested assurance that the contract is being monitored appropriately and that it is delivering against outcomes/targets.</p>
Early Years Funding Contracts	10	There is a statutory duty imposed on local authorities by the Childcare Act 2006 to ensure that parents can access up to 30 hours a week of free early education and childcare for their eligible two, three, and four-year old children. The Council pays over 900 educational settings totalling £11m per annum. The early years funding payments undertaken by the Accounting Services function were reviewed in 2018/19 and positive assurance was given. Management now feel that it would be prudent to review the processes and controls in place required in relation to the providers that are reviewed by officers within Families and Communities.
Children's Safeguarding Board	15	There is a Joint Staffordshire Children's Safeguarding Board (SCSB) with Stoke on Trent City Council, Police and CCGs. Positive assurance given over this area in 2016/17. However, legislation for Children's Safeguarding Boards has changed since this time and

Area	No of Days	Indicative Scope
		the SCSB has agreed to review the new arrangements and become an early adopter. Management has requested independent scrutiny to ensure new arrangements are being implemented.
Alternative Education Providers - Unregulated Settings	10	To provide assurance that the County Council is not providing funding for children's education in unregulated settings. The scope of work will review the controls in place to ensure that funding is provided for regulated settings only; that VFM is being achieved and that quality of services is being upheld. The full scope of work to be determined with the Commissioner.
Missing Children - Return Home Interviews	12	Ofsted inspection of children's social care services in February 2019 was carried out. Whilst it gave a good rating overall, it identified weaknesses for return home interviews (RHI) for children who go missing. There is a commissioned provider for these services and management would like assurance that the provider is complying with the contract and as an Authority we are working in partnership across all agencies. Additionally, checks will be undertaken to ensure that the provider is sharing the RHI with the social worker and this is then being actioned as part of care planning, not getting 'stuck' in a system, and ensuring that as an Authority, it is using this collective intelligence.
COMPLIANCE- Pupil Referral Units (PRUs)	7	Currently, there are five PRUs within the Council, two of which have received poor Ofsted ratings. Internal audit will review compliance with approved policies and procedures including Financial Regulations and Procurement Regulations.
High Schools Compliance Audit	30	Compliance with approved policies and procedures including Financial Regulations and Procurement Regulations for key risk areas.
Primary/Middle/Special Schools Compliance Audit	50	Compliance with approved policies and procedures including Financial Regulations and Procurement Regulations for key risk areas.
Themed Audits in Schools	50	Time will be used in 2019/20 to review payroll services received at a sample of schools as they are purchased outside of the Authority.
Families First District Service Offices - COMPLIANCE	6	A rolling programme of review of Administrative Support Services within District Offices to ensure that they comply with Financial Regulations/Instructions. Areas subject to review include payments, inventories, cash income. 2 District Offices to be reviewed in 2019/20.
Trading Standards: Proceeds of Crime Act (POCA) Funds	10	Where a person has been found guilty of a prosecution, the Proceeds of Crime Act (POCA) enables the Council to apply to the Courts for restitution of funds. This area has not been subject to review previously and management has requested assurance to ensure that: <ul style="list-style-type: none"> • The control framework in relation to securing, recording, receipt and banking of proceeds under POCA is robust; • All income due is received in a timely manner; and • The governance process for spending POCA budget is realistic, satisfactorily monitored and reported periodically. NB: Trading Standards cash only purchase card transactions will be reviewed as part of the proactive counter fraud work on purchase cards.
ABS (IRIS) Coroners systems	12	A new Coroners system is being procured during 2019, which will be a move to a cloud hosted solution, accessible through a web portal, which is a significant change to the delivery of this statutory service. An IT audit will be undertaken to provide assurance that data has successfully migrated to the new Civica system and that appropriate security controls and parameters have been put in place to protect data from unauthorised access and use.

Area	No of Days	Indicative Scope
Schools General including Academies Conversion requirements and development/charging	15	Audit information required as part of the conversion of maintained schools to academies, school developments and charging.
Total No. of Days	382	
Economy, Infrastructure & Skills – Darryl Evers		
Infrastructure + Contract (Amey)	22	<p>To provide on-going assurance over the Infrastructure+ Contract awarded in March 2014 (£40m p.a.). Internal Audit assurance is required in the following areas during 2019/20:</p> <ul style="list-style-type: none"> • verification of a sample of maintenance works expenditure incurred for 2019/20; (12 days) • support a review of Value for Money (reporting and data validation); (8 days) • watching brief of Amey business continuity arrangements in 2019/20, including liaison with the Commissioner for Highways and the Built Community. (2 days). <p>*See also the Counter Fraud plan 2019/20 for checks on the contractor cost packs and possible use of continuous controls monitoring in this area to identify 'red flags' for further scrutiny.</p>
County Farms	20	<p>To support the achievement of the Medium-Term Financial Strategy (MTFS), 30% of the Council's Farms are to be sold as part of the Capital Programme, it is anticipated that this action will generate £20m over two tranches to support the delivery of the MTFS.</p> <p>Internal Audit time will be required in 2019/20 to support the project and ensure proposal for the disposal of assets is clearly defined and transparent. (5 days - Q1). Further time will be required in Q4 2019/20 to provide independent assurance over the process undertaken at the end of tranche one and assist in identifying lessons learnt to be applied to tranche 2 to be undertaken the following year. (15 days)</p>
Stoke-On-Trent & Staffordshire Local Enterprise Partnership (SSLEP)	15	<p>To keep under review the decision making and governance arrangements of the Local Enterprise Partnership in terms of setting a clear vision and operating under a clear governance framework, securing and accounting for funding, managing performance of regeneration schemes and achieving milestones and outcomes.</p> <p>In 2019/20, Internal audit activity will include a review of the SSLEP's compliance with the national Assurance framework (which has been refreshed in March 2019). Our work supports also the annual return completed by the Section 151 officer.</p> <p>** See also SSLEP - Core Funding Grant</p>
European Funding - European Structural & Investment Fund (ESIF)	3	<p>The SSLEP has been successful in bidding for £138m of European Funding to fund projects within Staffordshire and Stoke on Trent for the period 2014 to 2020. The EU programme is controlled by the SSLEP and the ESIF committee. The largest funding stream controlled by the ESIF Committee is the ERDF (£77m), followed by the ESF (£55m) and EAFRD (£4m) and the LEADER programme (£2m). SCC controls 4 projects LC BEP; Rural Enterprise Programme, Staffordshire Excellence and the Growth Hub scheme. Two of the above schemes are due to end in 2019 namely:</p> <p>Staffordshire Excellence - Tourism & Business (June 2019); and Rural Enterprise Programme (July 2019).</p>

Area	No of Days	Indicative Scope
		Internal Audit time has been requested in 2019/20 to provide independent verification of the summative performance assessments and summary table to be completed following the closure of the programmes. Work to be undertaken late Q2 / early Q3.
Development Control - Planning Applications and Regulation (Minerals & Waste)	10	To review the key controls and processes relating to planning enforcement in respect of mineral and waste developments. Scope of work to include: i) Policies and procedures governing planning enforcement; ii) Monitoring of authorised developments; iii) Programme for site visits and fee charging (20% increase can be re-invested); iv) Collection of income.
Waste Management - Hanford Incinerator	10	Internal Audit time will be required in 2019/20 to review the proposed project governance and/or interim arrangements for utilisation of the Hanford incinerator, this may include validation of evidence to support project cost contributions from SCC to SOT.
Keele Science Park - IC5 Keele University - Economic Regeneration Scheme	7	On the 18th May 2011 the Cabinet approved a £6.8million loan to build a 30,000 square foot new office incubator (IC5) unit at the Keele University science and business park. In return for the loan the University of Keele granted the Council a 125 lease on the unit and the rental income used to repay the borrowings and then generate income for the Council. IC5 - Keele was completed and opened to businesses on 1st August 2016. The innovation centre is now fully occupied and Keele are managing the tenants on the Council's behalf, who pass on any surplus rent income to SCC. In 2019/20, Internal Audit will review the management of this process and the rental income being received by SCC to ensure that all income is being received by the Council.
Network Management - Highway Permit Scheme	10	The SCC does not currently have a Highways Permit Scheme; however, this is now a requirement of central government and therefore Council will develop a business case for a scheme one in 2019/20. Management have asked for support in reviewing the financial modelling for the proposed Highways Permit Scheme to be included in the business case as well as processes as they are designed.
Flood Risk Management (including Sustainable Drainage Systems)	10	SCC is working jointly with Shropshire CC to fulfil its statutory obligations in relation to flood risk management (Budget of £315k p.a.). This function receives many grants from the Environment Agency to support flood protection measures and raising awareness and has not previously been audited. This area is currently under review and a new structure and management team have been put into place. A review is required in 2019/20 to ensure that adequate flood risk management arrangements are in place and comply with legislative requirements.
W2R Plant	12	To ensure that appropriate management and monitoring arrangements are in place for the contract for the operation of the W2R Plant. The review will consider the following key areas: <ul style="list-style-type: none"> • Governance/Responsibility/accountability arrangements for contract monitoring are clear. • Payment processing controls are effective and compliant with the payment mechanism. • Data management arrangements are in place. • Timely and accurate reports are regularly produced and made available for management review. • Procedures exist to ensure that contract terms and conditions are complied with • Management of fraud risks.

Area	No of Days	Indicative Scope
Adult & Community Learning - Commissioning and Monitoring of Provider Contracts: performance data	5	Performance data is collected from the contractors and subcontractors and uploaded to the ESFA system periodically. Data for the academic year end must be collated and uploaded by November of the same year. After the upload of data for the academic year 2017/18 it was identified that the data was incomplete. Management have requested time in 2019/20 to check and validate the data upload prior to submission of the year end data. Work to be undertaken in Quarter 3.
Total No. of Days	124	
Corporate Services – John Tradewell		
Digital Development Programme including Office 365 Project	55	<p><u>Digital Development Programme (corporate perspective)</u> The Council's digital development is aimed at driving the development of digital innovation across the organisation and wider smart Staffordshire network and is crucial in supporting the achievement of organisational outcomes and financial savings. There are 60 identified work programmes which support Digital Staffordshire with a savings target of £15million over three years from 2018-2021.</p> <p>Time will be required in 2019/20 to review the Council's digital strategy as well as a sample of projects underpinning it. Scope of work will include a review the strategy in place as well as the project governance arrangements, project monitoring, project delivery as well as the reporting of project outcomes (15 days).</p> <p>Project support time may also be required to support the ongoing projects in 2019/20 to provide timely advice to management on the design of systems and processes (5 days).</p> <p><u>Office 365 (O365) Project</u> Under the banner of digital development, Internal Audit will continue to sit on several boards within the O365 project and will provide timely advice on all aspects of Information Security. This will cover key workstreams within the project such as OneDrive, SharePoint, Teams, Mobile Device Management and Exchange (20 days).</p> <p>Further to this, a governance audit will be conducted due to the critical nature of this project. This will cover areas such as adherence to the business case, budget monitoring, use of resources, risk management and decision making (15 days).</p>
Strategic Property Asset Management and Governance	20	Time will be required in 2019/20 to review the current property governance structure including the revised framework for decision making. The audit will also provide a position statement on the implementation of past audit recommendations following the review in 2016/17.
Cyber Security	12	The Council has a Cyber Security Strategy (2017-21) which outlines the measures the Council will take to preserve the confidentiality, integrity and availability of its information and systems. At its midpoint, this audit will review the progress against the stated outcomes in the Cyber Security Strategy. The Audit & Standards Committee has also requested on-going assurance in this area during 2019/20.
Adult & Children's Financial Services Team - Financial Assessments	35	The Contributions policy and processes have been updated and went live 1st April 2019. Management has requested assurance for the two following areas:

Area	No of Days	Indicative Scope
		i) To review the financial assessment process to provide assurance they are in accordance with the contributions policy and procedures, including the application of mitigation. (20 days); and ii) To review the policy and processes for the Disability Related Expenditure (DRE) including the appeals process and panel decisions. (15 days)
Sales 2 Cash Including Debt Recovery Function & Debt Management	20	In 2019/20, our audit time will focus on debt management as past audit work has identified several issues over the years and as such limited assurance has been awarded to this area of operation in both 2017/18 and 2018/19. Further audit coverage will be required in 2019/20 to ensure that debt recovery and debt management processes are improving. In addition, advice will be given regarding the possible use of more sophisticated key performance indicators (KPIs) regarding debt recovery and debt targets. Scope of work to include: Arrangements for debt recovery (CCG/other Health bodies and Other debts); Arrangements for making instalments, Collection of debtor Income and allocation to accounts including AUDDIS (D/Ds) process; Write-offs; Use of KPI targets for debt; and Monitoring and reporting arrangements.
People Strategy	15	The Workforce Strategy was included in the Delivery plan for 2018/19 to ensure that is fit for purpose with supporting policies. This later became the People Strategy and was approved by Cabinet on the 20th March 2019. A review of a selection of key HR policies is to be undertaken in 2019/20 to ensure they remain fit for purpose and are aligned to and support the People Strategy. Our work will also provide assurance over compliance with and embedding of the sample of revised policies. In addition, a position statement will be produced to give assurance over the delivery of the people strategy against year 1 priorities contained within it.
Culture & Ethics	15	Senior Management have requested a review of Council policies, to include benchmarking against other organisations (private and public sector) to: <ul style="list-style-type: none"> • identify opportunities for consolidation or refinement of policies in place; • ensure they support the values and culture of the organisation; and • ensure that policies are accessible and practicable to apply. This work will also consider how the 'Nolan' Principles - 7 Principles of Public Life have been communicated within the Council's policies.
Commercial Services (Procurement)	12	In 2018/19, following the redesign of processes i.e. contract register; the revision of the Council's Procurement Regulations; use of the new financial system, Integra and improvements to procurement training, procedures and guidance provided to staff, Internal Audit reviewed purchasing activity over £25k and an adequate assurance opinion was given.

Area	No of Days	Indicative Scope
		<p>Our work in 2019/20 will focus on compliance with procurement regulations for purchases below the £25k, to ensure that procurement activities outside the responsibility of the central Procurement team (Commercial Services) are robust and the contractual terms and conditions applied are appropriate. A review of vendor spend will also be undertaken to ensure that the procurement route taken was in accordance with the total value of the contractual relationship.</p> <p>n.b. Schools procurement is covered as part of schools' audit reviews and therefore is not within the scope of this specific audit review.</p>
Banking Services Contract	5	<p>The current banking contract will expire in March 2020. The retendering process is due to commence in June/July 2019 with award in September 2019.</p> <p>Management have requested Internal audit support during the project for the retender and commencement of the banking services contract (as in previous procurement exercises relating to the Council's bankers).</p>
Business Continuity Management - Supply Chain Management	15	<p>Several high-profile public sector suppliers have ceased trading or encountered financial difficulties since 2017. Internal audit work is required in 2019/20 to ensure that adequate business continuity arrangements are in place.</p> <p>The focus of this year's internal audit review is to review the business continuity management arrangements in place for a sample of those critical services which have been outsourced to an external provider to ensure that appropriate arrangements are in place in the event of a major issue affecting the supply chain. Scope of work to include:</p> <ul style="list-style-type: none"> ▪ a review of contractual requirements in relation to BCM; ▪ Evidence supporting a contractor's BCM requirements (and the role of the CCU in this); ▪ evidence of BCM testing undertaken on a contractor's BCM arrangements (and the role of the CCU in this); and • monitoring and reporting arrangements in place including compliance with the supplier financial appraisal strategy.
Recruitment - Core	10	<p>In 2018/19, Internal Audit reviewed the end to end recruitment process across the Council and an adequate assurance opinion was given. However, further audit work is required in 2019/20 to ensure that the recruitment portal continues to be effective and does not become a barrier to managers recruiting in accordance with Council procedures.</p> <p>Scope of work will include: use of the recruitment portal and interfaces with iTrent, where appropriate, pre-recruitment checks; eligibility to work in the UK and compliance with the Council's recruitment and selection procedures.</p>
Liberata Payroll System	25	<p>Since June 2017, the Council's payroll has been provided by Liberata (based at Worcestershire County Council), using the iTrent payroll system (known as My HR) under a service contract.</p> <p>This area is classified as a key financial system review in 2019/20 and further assurance will be required that processes and controls operated by Liberata continue to be embedded and that controls are operating as expected.</p>
Medium Term Financial Strategy - Delivery Plan	15	<p>The MTFS for the 5-year period 2018 to 2023 requires additional savings of £132m. Although the Council has a proven track record of delivering significant cost reductions, the scale, complexity and pace of the changes still required increases the risk that not all cost reductions will be delivered. As a result, on-going assurance in this area is required in 2019/20.</p> <p>Audit work in 2019/20 will be required to provide assurance that delivery against savings in the MTFS are being monitored effectively and reported accurately. Discussions to be held with the County Treasurer and Strategic Finance Business Partners to inform the audit scope.</p>

Area	No of Days	Indicative Scope
Management of Capital Programme & Budgets	10	<p>The Council's capital programme for 2019/20 is £116.04m.</p> <p>In 2019/20, Internal Audit will review the capital budgetary control system in place to ensure that suitable arrangements are in place to control how capital budgets are set, approved, monitored and reported upon. Our audit work will also ensure that the Capital programme is linked to the Council's capital strategy, corporate priorities and that slippage in capital schemes is suitably monitored and reported on.</p>
Adult & Children's Financial Services Team - Direct Payments (Adults)	15	<p>In 2018/19, Internal Audit advised on the design, processes and controls in place to administer and manage pre-paid card direct payments. In 2019/20, a review of the Direct Payments processes, including pre-paid cards and Direct Payment audits will be undertaken to ensure that controls are operating as expected.</p>
Customer Contact Centre	10	<p>The new delivery model for the Customer Contact Centre is to be implemented during 2019-20 and Internal Audit support has been requested to review the revised processes to ensure that adequate controls and mechanisms are in place to identify and mitigate against potential safeguarding and reputational risk after the implementation of the new arrangements.</p>
Business Continuity Management /Emergency Planning	10	<p>Exercise Aurora took place across Staffordshire in September 2016 and Internal Audit reviewed actions arising from this Exercise Aurora towards the end of 2017/18 and substantial assurance was given. A new exercise, exercise Fortitude (which is terrorism related) is planned for October 2019.</p> <p>In 2019/20, Internal Audit to provide assurance that adequate plans are in place to restore the business across the full spectrum of services undertaken by the Council together with robust arrangements operating within partner bodies who perform services on behalf of the County Council. To also ensure that lessons learnt following exercise Fortitude have been reported and corrective actions taken within agreed timescales.</p>
Data Protection (GDPR)	10	<p>The EU has approved new General Data Protection Regulations (GDPR) which came into force in May 2018. Audit work is required in 2019/20 to ensure that the GDPR have embedded and the Council continue to be compliant. Internal Audit work will cover:</p> <ul style="list-style-type: none"> - monitoring of GDPR compliance across the organisation; - breach reporting; and - arrangement for compliance of 3rd party data users. <p>n.b. where appropriate, a GDPR checklist will be completed for all auditable areas in 2019/20 where personal/sensitive data is being used by services as part of its operations.</p>
BACS Security	6	<p>To review and provide assurance over several security controls related to the automated process involving the BACS file being moved from My Finance to Experian. This will cover:</p> <ul style="list-style-type: none"> • Security/access to the BACS files and folders in My Finance; • SFTP account management; • BACS file storage on the SSIS server; and • Administration and management of the automated process by the Development team.
Entrust – Service Delivery Agreement	15	<p>In 2019/20 an Internal Audit review will be required to provide assurance that performance against the revised Service Delivery Agreement (SDA) has been maintained and evaluate the impact of the funding reduction. The audit will review the governance and performance management framework and the reporting of performance outcomes.</p>

Area	No of Days	Indicative Scope
		A sample of areas from the SDA will be selected for review and evidence provided to confirm performance against outcomes. Include as one of the areas for review Careers, Information, Advice and Guidance.
Deprivation of Liberty Safeguards (DoLS)	10	During 2018/19 there has been an amendment to the Mental Health Act for Deprivation of Liberty Safeguards, which will become Liberty Protection Safeguards (LPS). There will be a requirement for a review of systems and time will be needed for the review of the new systems including issues highlighted by the Ombudsman. Internal Audit will undertake a review in quarter 4 in 2019/20.
NEXXUS - External Trading Company	10	Time will be required in 2019/20 to follow-up on the previous year's audit recommendations. In addition, this year's audit will review the financial administration systems to ensure that they are fit for purpose if the use of Nexxus is expanded further for the delivery of other Council Services in the future.
Adult & Children's Financial Services Review Programme	35	<p>To continue to provide a quality assurance role to support the Adult Care Financial Services programme review throughout 2019/20. Time will be required for:</p> <ul style="list-style-type: none"> • attendance on Programme Group; • process evaluation; • assurance role; including benefit maximisation, property task and finish group, direct debits and payment runs.
Fixed Asset Register/Capital Accounting	6	<p>Chair of the Audit & Standards Committee has requested a review of the processes for the identification and capture of changes to the fixed asset register to ensure that the register is complete and asset valuations are correctly stated which will inform the statement of accounts. Audit to focus on property assets.</p> <p>To be completed May /June 2019.</p>
Procure 2 Pay (My Finance)	15	<p>Internal Audit time will be required in 2019/20 to evaluate key controls operating around the P2P module. Scope of work to include:</p> <ul style="list-style-type: none"> ▪ Orders are raised for all relevant purchases. ▪ Orders are complete, accurate, authorised and appropriate to the County Council's needs. ▪ Invoices are released for payment only under a valid order. ▪ Payments are complete, accurate and valid (urgent, BACS, cheques) ** ▪ VAT and Construction Industry Tax is treated correctly. ▪ System reports are accurate, timely and acted upon including compliance with the transparency code. ▪ Adequate vendor management controls are in place. ▪ Adequate supervision and management structures/ arrangements are in place. <p>See also BACs security audit in 2019/20.</p>
Adult & Children's Financial Services Team - Property Function	25	In 2019/20, Internal Audit work will review the new policy and processes in place for deferred payment agreements (DPA's), including the position for secure and unsecure debt in relation to property cases.
Health, Safety & Wellbeing Service	10	In March 2018, a new Health and Safety system was implemented. Management has requested a full review of the system in early 2019/20 to ensure it has fully embedded. Scope of work to be determined.

Area	No of Days	Indicative Scope
Service & Commercial Contract Management Arrangements	8	<p>Management have requested a review of standard contractual terms and conditions in 2019/20.</p> <p>Time will be required in 2019/20 to review the current Standard Terms and Conditions and ensure that these have been applied consistently across a sample of contracts across the organisation.</p>
People Helping People (PHP) Fund	5	<p>As part of the PHP agenda, a new fund has been set up (which merges several funds including the LMCF and the divisional Highways programme). This is a one-year pot of £162k initially. The scheme is to launch in spring 2019 and to be completed in Autumn.</p> <p>A review of the approach and governance arrangements has been requested for Quarter 2.</p>
Corporate Governance - Scheme of Delegations	10	<p>A new Scheme of Delegation was implemented in August 2018. Internal Audit time is required in 2019/20 to provide assurance that the new Scheme of Delegations have embedded across the organisation; communication has been effectively undertaken to ensure Officers are knowledgeable and understand their delegated responsibilities; Sub-delegations have been developed where appropriate and aligned to the new Scheme of Delegation.</p> <p>This will include selecting a sample of decisions to review and follow through the delegation levels in place.</p>
Use and Payment of Compromise Agreements	10	<p>Following the limited assurance opinion awarded in this area in 2015/16, a Task & Finish Group was set up, which included Internal Audit, to review the systems and processes to ensure that all the audit recommendations made as part of the 2015/16 audit review were addressed and implemented.</p> <p>New systems and processes were adopted following the above and this area will be revisited in 2019/20 to provide assurance the revised systems and processed are embedded and operating effectively.</p>
Budgetary Control (Revenue)	25	<p>The audit will continue to keep under review the key controls relating to the Council's revenue budgetary control system of the County Council to allow budgets to be appropriately set, approved, monitored and reported upon. As part of the review, a sample of volatile budget areas will be reviewed.</p> <p>This area is classified as a key financial system review in 2019/20.</p>
Chip & Pin	6	<p>Locally organised arrangements are in place with Barclaycard for chip and pin facilities. A project is to be undertaken in 2019/20 to upgrade the Capital 360 system on machines within registrars and expand the installation of chip and pin within Staffordshire Place, County Building and Libraries to be completed by December 2019.</p> <p>Time will be required in 2019/20 to review new arrangements and processes to ensure chip and pin machines are secure and operating effectively including verification and allocation of payments.</p>
Insurance	3	<p>IA will continue to provide the fidelity guarantee renewal under writing information in relation to systems and controls.</p>
Total No. of Days	508	

Area	No of Days	Indicative Scope
Health & Care – Richard Harling		
Adult Social Care Pathway	15	As part of the Modernising Adult Social Care Customer Journey programme (MASC), the Adult Social Care pathway is in the process of being redesigned. The pathway is expected to "go live" during 2019/20 and there will be new policy and processes as a result. Management has requested a review of the policies and processes later in the year depending on the "go live" date for the new pathway.
Care Commissioning Programme	20	As part of the Care Commissioning Transformation a structured programme has been compiled to ensure it is managed appropriately. Management has requested Internal Audit review the governance and delivery of the programme as there is a potential a risk that whilst savings are being achieved the service is not delivering outcomes.
Care Director Software (Adults and Children's modules)	25	Internal Audit will continue to provide advice and assurance on the development of the self-assessment portal to be developed by Care Works. This portal will allow citizens to enter their details, including financial information, which will be submitted to the Care Director application for a financial means assessment. Internal Audit will continue to attend the project's technical workstream, advising on portal and data security.
CM2000 Finance Manager	15	CM2000 Finance manager will be an intermediary system between Care Director and CM2000 is due to be implemented during 2019/20. Similar to the Care Director Portal, Internal Audit will advise and provide assurance over the security controls to be implemented as part on the new system, including interfaces with other Council systems.
Brokerage	20	The centralised brokerage service has evolved since it was brought back to the Council in 2016/17. Internal Audit has reviewed various elements of the brokerage service since 2017/18 including the redesigned brokerage pathway, the performance management arrangements and in 2018/19 the brokerage pathway was reviewed, and a limited opinion awarded. Following the TSU review, management has requested that Internal Audit review the new processes once they have had time to embed.
Home and Community Care Contract Review	20	This area was reviewed in 2018/19 and a limited opinion has been given. Management has requested that this area is reviewed again in 2019/20, to identify progress on this contract. The review will cover similar areas to those for 2018/19; planning and governance arrangements, delivery arrangements, contract changes and supplier performance and capability.
Joint Funding & Billing (CCGs/CHC)	12	Revised protocols/processes have been set up for joint funding of care cases and go live is May 2019. The aim is to ensure that all parties to joint funding agreements are paying appropriately. Management would like assurance that the new protocols and processes are working and that the Council is getting the income to which it is entitled. Scope to be determined with Joint Funding Lead.
First Contact - Screening Assessments	25	As part of the Modernising Adult Social Care Customer Journey Programme an enhanced front door model in the First Contact team will be embedded to allow all potential referrals to be screened to minimise referrals to the Community Teams. Management would like Internal Audit to review the quality assessment process within First Contact Team to ensure consistency of decision making for contacts and screening of assessments, reviewing routes in and speed of resolution.

Area	No of Days	Indicative Scope
		There will be two audits: a review of the "as is" procedures in Q1 (13 days) and a review of the new procedures in Q3 to identify if there has been any improvement. (12 days).
All Age Disability - Housing Support Contract Review (previously Supported Living)	15	New framework contract came into effect from 1/4/17, with separate outcomes and performance frameworks to be introduced. In 2017/18 Internal Audit reviewed the proposed governance arrangements and the reasonableness of timescales for the introduction of contract management arrangement, giving positive assurance. The contract management arrangements and outcomes frameworks were implemented in 2018/19 and management has requested a review of these in 2019/20.
Public Health - Staffordshire Warm Homes Fund	12	The Council are responsible for administering the Staffordshire Warm Homes Fund which has a value of £3.795m. Time will be required in 2019/20 to provide assurance over the controls operating over the Fund. Scope to be determined with the Head of Strategy prior to the commencement of the audit review.
All Age Disability - Individual Service Funds (ISFs)	10	The Community Support Framework, from which ISFs will be called off for LD Supported Living, has gone through a formal variation process. There have been several proposed variations to the framework to enable formally the embedding of 'new ways of working' in supported living, including specific detail re the introduction and running of ISFs. Management would like assurance over a sample of ISFs to ascertain the processes in place to identify whether they are working, what difference has been made and how the service demonstrates any savings.
Appointeeships	23	The administration of appointeeships transferred back to the Council from Staffordshire and Stoke on Trent Partnership Trust in April 2018. A Working Group was set up to consider Phase 2; improved working for appointeeships. Internal Audit sit on the Working Group which for Phase 2 will transfer all appointeeships to pre-paid cards depending on the outcome of the pilot (April to June 19). In 2019/20 Internal Audit will: <ul style="list-style-type: none"> • continue to sit on the Working Group (5 days). • review the new design processes as part of the pilot (8 days). • review the live running of the scheme after the pilot. (10 days)
Better Care Fund - Pass through money	10	The County Council has received pass through money (previously known as S256) circa £ 17.1 million in 2018/19. This funding has been split with both the MPFT and SCC undertaking schemes that meet the eligibility criteria. The CCGs require assurance from the Council that the funding has been spent in accordance with the relevant terms and conditions.
Extra Care	15	Extra Care contract has been retendered during 2018/19 and a new contract is in place from 1 st April 2019. Management would like a review of the effectiveness of the contract and whether value for money is being obtained and identified through contract management.
Prisoners Contract	10	In 2015/16 Internal Audit reviewed several new areas arising from the implementation of the Care Act 2014, including prisoners. A new contract was operational from 1 st April 2018 and management have requested a review of the contract monitoring arrangements.
Residential Homes for Learning Disability	10	There remain three residential homes for Learning Disability (Greenfield House, Scotch Orchard and Douglas Road). Internal Audit will review compliance with Financial Regulations/Instructions and areas for review include; cash only purchase cards, payments, inventories, residents' property, cash income.

Area	No of Days	Indicative Scope
Approved Mental Health Practitioners (AMHPs)	15	<p>The Authority has a statutory responsibility under the Mental Health Act in relation to the requirements for Approved Mental Health Professionals (AMHPs). This area was reviewed by Internal Audit in 2018/19 and a limited assurance opinion was given.</p> <p>Management has requested further work in this area during 2019/20 to review the succession planning for AMHPs regarding training with emphasis on the fields from which they are being recruited.</p>
Public Health – Sexual Health	12	<p>The two sexual health contracts in place (North and South) have been consolidated into one contract. Now that the contract has embedded management would like assurance on the contract management processed in place to ensure that the reduction in costs do not impact on equitable access to services in vulnerable localities.</p>
Total No. of Days	284	
ICT – John Tradewell		
Virtualisation	15	<p>The Council operates a large virtual computing environment which allows several virtual services to be provided from a single physical device.</p> <p>The virtualization audit review will provide management with a review of the effectiveness of the configuration of, controls over and security of the virtualized servers.</p>
ICT Asset Management (Software & Hardware and Licensing)	10	<p>The number of physical devices, such as laptops, being allocated to employees has increased rapidly over previous years to support agile working.</p> <p>This audit will determine whether adequate and effective IT asset management processes and controls are in place, to maintain the integrity of the IT assets while meeting and to provide management with assurance that the IT asset inventory and records are complete and accurate.</p>
SICT Project Assurance	20	<p>Internal Audit will provide the role of Project Assurance for high risk/critical ICT projects, as requested by SICT Management.</p> <p>The exact projects to be included as part of this work will be derived from conversions between Internal Audit and SICT Management throughout the year to determine that we are placed on critical or high- risk projects.</p>
SQL Database System Management	15	<p>SQL Servers are used to host several critical and non-critical application across all the directorates of the Council.</p> <p>The Microsoft SQL Server database audit review is to provide management with an assessment relating to the effectiveness of configuration and security of the Microsoft SQL Server database systems within the Council's computing environment.</p>
Data Centre Threat Assessment	4	<p>Following the 2018/19 Data Centre Environmental and Physical Security Audit where a Limited Assurance opinion was awarded, a recommendation was made to complete a Data Centre Threat Assessment.</p> <p>Internal Audit has been requested to aid this process during the initial completion of the assessment and the first 6-monthly review.</p>
Exchange Server Security	12	<p>Following migration of mailbox to the cloud as part of the Office 365 project, the numbers of exchange servers will be decrease. However, these exchange servers will also need to be upgraded from 2010 to 2016 and play a key role to the security of the network. This audit will provide support and assurance in the following areas:</p> <ul style="list-style-type: none"> • Migration—All issues associated with migration from earlier versions of Exchange should be identified and resolved. • Role-based access controls (RBACs)—Exchange Server 2016 supports role-based access to optimize security.

Area	No of Days	Indicative Scope
		<ul style="list-style-type: none"> • eDiscovery—In the event of litigation, enterprises may be required to comply with court-mandated eDiscovery. Accordingly, techniques are covered to place litigation holds on specified mailboxes. • Compliance—Encryption may be required to comply with laws and standards like the Health Insurance Portability and Accountability Act (HIPAA) and the Payment Card Industry Data Security Standard (PCI DSS). • High availability (HA)— Exchange Server features a database availability group (DAG) design to support high availability where required for business objectives.
ICT Project & Programme Governance	5	SICT are changing the way they govern their ICT projects and a small amount of time has been requested by management to provide guidance in this area during the year.
Total No. of Days	81	
Grant Verification Work		
Local Transport Capital Funding (Integrated Transport and Highway Maintenance, Pothole, National productivity Investment Fund & Flood resilience Fund)	17	<p>£23.533m has been received by SCC in 2018/19 to provide support in financing the capital costs of integrated transport measures and capital highway maintenance schemes. Internal Audit verification of grant expenditure is required to comply with the conditions of the funding (due 30th September 2019).</p> <p>As part of this sum £3.391m has been received relating to the Highways Maintenance incentive element and £1,123,967 has been received relating to the Pot Hole Action Fund and Flood Resilience Fund this is on top of an initial £565k.</p>
Earned Autonomy/Building Resilient Families& Communities (BRFC)	8	<p>The Service was successful in submitting a bid to the Department of Communities and Local Government for Earned Autonomy in 2017/18.</p> <p>Management has requested verification and quality assurance of returns, including whether the service is meeting its performance targets as included in the submission.</p>
Local Enterprise Partnership - Core Funding Grant	5	<p>From 1st April 2019, Staffordshire County Council will become the accountable body for the core funding grant (previously Stoke-On-Trent City Council). The grant funding is £0.5m p.a. with match funding of £0.25m from both local authorities.</p> <p>This area will require a grant audit in 2019/20 to be carried out by 30th June 2019.</p>
Local Growth Deal Fund - Grant Verification	15	<p>The purpose of the Local Growth Fund is to provide funds to local enterprise partnerships for projects that benefit the local area and economy. There are several capital schemes that benefit from the LGF. As part of the grant conditions, a declaration is required to be submitted and certified by the Chief Executive having first received assurance from the Chief Internal Auditor for the Authority that the conditions attached to the funding have been complied with.</p> <p>Therefore, a grant verification exercise will be required to be completed by 31st July 2019.</p>
Superfast Broadband for Staffordshire Project - Grant Verification	5	<p>The superfast broadband for Staffordshire programme costs circa £20m (phase 1) and £2m (phase 2). This area has been subject to review by BDUK and positive assurance has been received. However, there is a requirement for the end of year monitoring report to be verified and signed off by the Chief Internal Auditor. This is required to be carried out by Mid-March 2020 and therefore time is required in the audit plan to undertake this work.</p> <p>In respect of the governance arrangements for the programme, assurance will be taken from the positive assurance statement provided by BDUK.</p>

Area	No of Days	Indicative Scope
Growth Hub Grant	5	The Department for Business, Innovation & Skills (BIS) has awarded Staffordshire County Council new growth hub monies of £205k p.a. since 2016/17 to 2019/20 to support the growth hub investment programme. Internal Audit is required as part of the grant conditions to verify grant spend for the year and therefore time will be required in May 2019 to verify the 2018/19 grant (timescale 31 May 2019).
Department for Transport - Bus Subsidy Grant	10	The Department for Transport awarded SCC £700k in 2018/19 in relation to Bus Transport Services. Within the grant conditions, there is a requirement for Internal Audit to provide assurance over grant expenditure and confirmation that grant conditions have been complied with. This is required to be submitted to the DfT by 30th September 2019. Time is therefore required in the audit plan to undertake this grant verification exercise.
Total No. of Days	65	
Cross Cutting Audit Activity		
Delivering Good Governance - Corporate Governance Working Group	10	CIFPA in 2016 published its work on delivering good governance in Local Government: Framework (2016 edition). In respect of this, the HIA&ACFS attendance and CIA's attendance (as required) at the Corporate Governance Working Group ensures that the Council's governance framework is kept under review. The CGWG covers areas such as Scheme of Delegation/ Gifts & Hospitality/AGS/Financial Regulations/Procurement Regulations. Time will also be required in 2019/20 to undertake a review of compliance with the code of Corporate Governance.
Sustainability and Transformation Plan	1	No specific work will be undertaken on this area in 2019/20, however, Internal Audit will keep a watching brief on this area in 2019/20.
Risk Management – Development of Assurance Mapping Framework	20	Time will be required in the Internal Audit plan to develop SCC's Assurance Mapping Framework in 2019/20.
Total No. of Days	31	
Management of the Service	135	Time required to manage the Internal Audit Service in-year.
Recommendation Tracking	20	Time to monitor and track audit recommendations in-year.
Contingency 2019/20	15	A provision to respond to new and emerging risks throughout 2019/20.
Total No. Days for SCC Plan	1645	

Appendix C – SCC Counter Fraud Plan 2019/20

Area	Number of Days
Strategic Development	
Review of key Fraud Policies to ensure they are up to date, and reflect current best practice, and latest legislation. Policies to be reviewed include: Whistle Blowing Policy and associated procedures, Fraud Bribery and Theft Policy, AML Strategy and Risk Assessment, and Serious Organised Crime Checklist.	8
To refresh of the IA/HR Protocol document.	2
To continue to keep under review SCC's response to the new Fighting Fraud & Corruption Locally - The Local Government Counter Fraud & Corruption Strategy 2016-19 published in March 2016 by CIPFA.	5
Participation in CIPFA anti-Fraud Surveys.	3
Update the Council's strategic fraud risk register, following which individual departmental/section fraud risk assessments will be undertaken to include theft related risks.	6
To report progress in the development of the Counter Fraud arrangements to the Audit & Standards Committee on a regular basis.	5
Provide input to HR's programme of Policy Updates as appropriate.	5
Representation at the MCCIAG Fraud Sub group and SCAG working groups.	3
Management Reporting and Liaison with the County Treasurer (&Section 151 Officer) and the Director of Corporate Services (Monitoring Officer) as and when issues arise.	5
Total Days	
42	
Development of an Anti-Fraud Culture	
E learning - Liaison with key management to help roll our programme.	4
Fraud Presentations - programme of training (also reference to using intranet to provide information on high risk areas).	5
Staff Survey – Publish results of 2018/19 staff fraud survey and undertaken staff fraud survey in 2019/20.	5
Intranet/Web pages - further development of intranet pages: news, guides to key fraud risks, publishing of CCM findings.	7
Total Days	
21	

Prevent and Deter	
<ul style="list-style-type: none"> CCM Development - implementation of CCM over additional areas: Duplicate Invoice development/refinement, Health & Care Area, Integra activity, Overtime, Annual Leave Pay, as well as the further development of automated idea script, Taxation and Areas identified by NFI Findings. (20 days) CCM continuation of testing developed already. (70 days) CCM Dashboard Development - update completion monitoring document to provide a dashboard to be used in quarterly reporting and intranet reporting. (4 days) 	94
Amey Cost Pack - To research the Amey Cost Pack and identify areas where scrutiny should be applied, setting up potential for inclusion with CCM if found feasible and effective.	10
Total Days	104
Detection	
National Fraud Initiative - NFI Phase 2 - The time set aside for processing matches released in January 2019. (25 days)	30
NFI Transliteration Pilot - Contributions to a pilot exercise to enhance NFI matching process by incorporating transliteration technology and research to NFI data to identify other unrecognised matches. (5 days)	
As part of the pro-active counter fraud programme for 2019/20 targeted testing will be carried out in several areas within the Adult Financial Services Team. Scope of areas still to be determined.	10
Probity Checks on Deputyship accounts - To perform sample testing on bank transactions relating to deputyship accounts to ensure they are legitimate.	10
Parking Tickets - Data focussed review of Parking Ticket income against issuing authority records, to identify incomplete income collection, and incorrectly allocated income collection.	6
Delayed and Incomplete Banking - Root Cause Analysis (RCA) investigation into sample of 5 areas of the Council where banking is identified as being incomplete, or not matched. To be undertaken on periodic basis throughout the year.	10
MHCLG Procurement Fraud - A paper on Procurement Fraud is expected detailing recommended action and preventative measures. Time has been put aside for reviewing this paper and commence follow up actions.	6
Chasewater Innovation Centre (including the country park) - More machines have been introduced at Country Parks to collect car parking fees and management would like a review of the procedures for income collection and banking.	5
Countryside Estate: Deer Callout Service - Rangers receive an additional payment for being called out to attend a deer where it has been injured in some way i.e. car collision. Management has requested assurance on the procedures and processes in place for the Deer call out service.	5
Schools Fixed Penalty Notices to Parents - A new business process in place and service would like a light touch review of compliance with new processes.	6
Total Days	88

Investigation	
Continue to undertake investigative work when issues of concern are identified through routine audit, reported by management or via the whistleblowing processes in place	200
Total Days	200
Grand Total (Days)	455

Appendix D – Staffordshire Pension Fund Internal Audit Plan – 2019/20

Local Government Pension Scheme (LGPS) Asset Pooling	15	<p>In the July 2015, the government announced its intention to introduce a new regulatory framework which would facilitate collective investing. Following this, a joint proposal was developed with several Midland LGPS funds with combined assets of £35m to form an investment pool. In November 2016, the LGPS central has been formally approved as a Local Authority Pension Fund Pool. LGPS Central Limited has been set up (Private company) to act as an alternative investment fund manager to run and operate one or more collective investment vehicles to allow the administering authorities to pool their respective investments. The company is also authorised by the Financial Conduct Authority (December 2017). In 2018/19 extensive work was undertaken to develop the Pensions Assurance Framework for LGPS Central. This highlighted the need for the Partner Fund Internal Audit (IA) Functions to undertake individual audits, such as transitions as well as collective audits.</p> <p>In 2019/20, SCC Internal Audit function will undertake a review of the Governance Arrangements for LGPS Central on behalf of all the Partner Fund Internal Audit (IA) Functions. (10 days)</p> <p>In addition to the above, time is required in 2019/20 to maintain the Pensions Assurance Framework (SCC IA team to act as the lead authority for this) and to attend meeting throughout the year with the other Partner Fund IA Functions. (5 days)</p>
Pooled Investments (LGPS Central)	10	<p>In 2019/20, Internal Audit work will be undertaken to provide assurance over the transitions that have taken place into LGPS Central (the pool).</p>
Pension Fund – <u>Governance</u> (SCC Local Arrangements)	10	<p>New Pension Regulations came into force on 1st April 2015, which brought with it the Pensions Regulator and the Pension's Regulator's code of practice. These Regulation also introduced the requirement for new pension fund governance arrangements i.e. a pensions board.</p> <p>Our work in 2018/19 gave positive assurance. However, continued assurance is required in 2019/20 over the Pension Fund Governance arrangements including: continued compliance with the Public Service Scheme CoP and Public Service Regulatory Strategy in relation to Disclosure of Data; Maintenance of a Breaches Log, review of the monitoring process for covenant; review of policies and the development of a training plan for Pensions Committee Members.</p> <p>In additions, links between the LGPS Central governance arrangements (the pensions Pool) and our own Council's arrangements will also be reviewed.</p>
Pension Fund - <u>Pensions Administration</u>	30	<p>To keep under review the arrangements in place for administering SCC's pensions scheme. This will include a review of payments due to and payments made from the pensions fund as well as the operation of the new software I-Connects and compliance with the GDPR.</p>
Total No of Days	65	

Appendix E – Quality Assurance Programme

Quality Assurance

Quality outcomes/process designed to deliver a consistently high quality audit service to our clients – fit for purpose/ meets client expectations/conforms to PSIAS.

Quality Improvement Plan

CIA reporting to the Audit & Standards Committee on the outcome of quality assurance review, together with the improvement action plan and any significant areas of non-conformance to PSIAS included in the Annual Report/Annual Governance Statement.

Ongoing Monitoring

Quality checks and oversight are undertaken throughout the audit review, ensuring that processes and practice are consistently applied and working well.

Role of the CIA

- To develop and maintain the Quality Assurance Improvement (QAIP) and resultant action plan.
- Focus on evaluating conformance with the Internal Audit Charter.
- Arrange an External Assessment in-conjunction with the Audit & Standards Committee.

Role of the Audit Managers

- Obtain on-going assurance that the audit planning, fieldwork, conduct and reporting/communication results adhere to audit standard practice (as defined in the audit manual).
- Undertake audit supervision and review. The extent of supervision needed will depend on the proficiency and experience of the internal auditors and the complexity of the review.

Role of Individual Auditors

- Conduct all audit reviews in accordance with the requirements contained in the audit manual and PSIAS.
- Behave at all times in accordance with the PSIAS Code of Ethics and Code of Conduct.
- Promote the standards and their use throughout the Internal Audit Activity.
- Actively seek feedback for all reviews undertaken.
- Demonstrable commitment to delivering quality services.

In January 2018, the Service's first External Quality Assessment of the Team was performed by the Chartered Institute of Public Finance & Accountancy (CIPFA). The one recommendation and three suggestions arising from the review were implemented during 2018/19.