

Internal Audit Strategy & Plan  
2017/18





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## Introduction

1. This report summarises the proposed work of Internal Audit for 2017/18. 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). 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

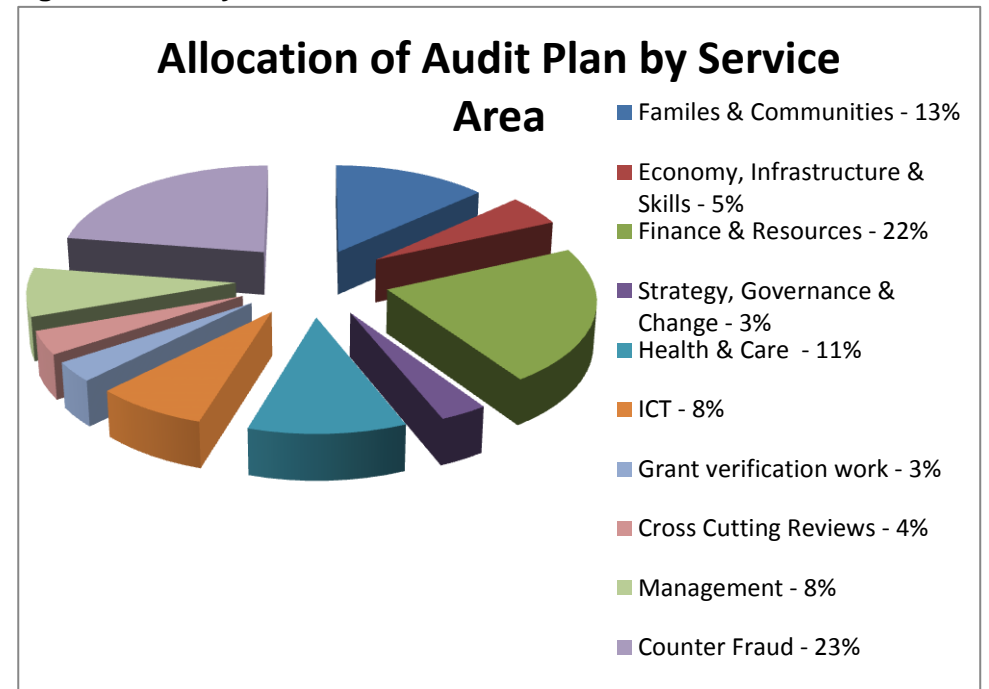
5. Our Internal Audit Strategy has been developed to take into account management's assessment of risk and key organisational objectives and priorities. This is obtained from the contents of the Corporate Risk Registers, listing of key critical services including IT systems, External Audit considerations, 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 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 Director of Finance & Resources.
  - Identification of 'Top Ten Risk' Reviews.
  - Fundamental Financial systems – reviewed on a cyclical basis.
  - A risk based Schools' audit strategy, approved by the Section 151 Officer, will be completed.
  - 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 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 2017/18 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 2017/18

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:

1. Staffordshire & Stoke on Trent Partnership – Contract Management
2. Brokerage Services
3. SAP Replacement Programme
4. Care Director Upgrade
5. Core Payroll & Schools Payrolls – retained Client and Control Function
6. Liberarta Payroll System

7. Capital Receipting Transformation
8. Cyber Security – Incident preparedness & response effectiveness
9. Strategic Property Asset Management and Governance
10. Corporate Scheme of Delegations
11. Service & Commercial Contract Management Arrangements
12. Procurement – Commercial Services

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 2017/18

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.

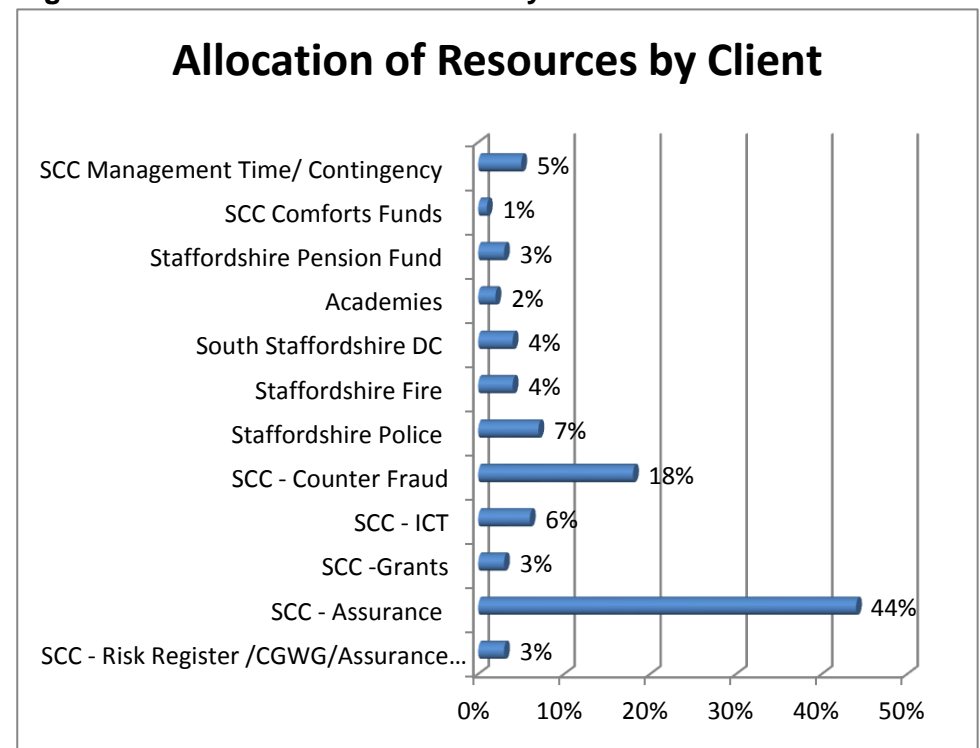
### Resources

15. The total resource requirement for Staffordshire County Council in 2017/18 is 2099 days. This represents an increase of approx. 416 days in the level of coverage delivered in 2016/17 as a result of the decision taken to increase the level of investment within the internal audit team by the Director of Finance & Resources in order to deepen audit coverage of the enhanced risks in the challenging environment.
16. The Section also provides and receives income for the delivery of the internal audit service/management, for the following External Clients:
- Staffordshire Police
  - Staffordshire and Stoke on Trent Fire & Rescue
  - South Staffordshire District Council
  - Staffordshire Academies (via Entrust)
  - Staffordshire Pensions Fund
17. The net income generated from this arrangement is £166,720 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 framework will recommence in 2017/18.

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 – in particular 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**

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

## Appendix A – Planning Risk Assessment Methodology

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### 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 2017-2020/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 Councils 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 2017/18

Area	No of Days	Indicative Scope
<b>Families &amp; Communities – Helen Riley</b>		
SEND Transformation - Transport	25	A short term governance structure has been put in place for SEND transport whilst the SEND service is undergoing a transformation process, with new arrangements for transport expected in September 2017. Two audits will be conducted within this area – 1. An early review of the short term governance arrangements for the transport process. 2. A review of the redesigned system to ensure compliance with the new policy and procedures to ensure the system is managed more effectively.
Specialist Safeguarding Units Child Protection Section 47 enquiries	15	To review the application of the child protection procedures to ensure both teams are following due process in regard to; adherence to timelines, correct recording, decisions made at appropriate points and checks being made with partner agencies. The review will not cover the appropriateness of the decisions made by the teams.
Independent Futures - Children's Disability Teams - Direct Payments	15	The audit will review the accounting and administrative arrangements for direct payments including the regularity of financial reviews, monitoring arrangements and the claw back of surpluses in Direct Payment Accounts. Also the audit will provide assurance that direct payments are in line with the child's support plan and that the social worker is undertaking regular checks.
Trading Standards	15	The review will cover the following areas: i) compliance with the procedures for property (seizure and disposals) ii) access to stores and completion of appropriate paperwork. iii) the procedures for test purchasing and purchase cards usage. The Audit & Standards Committee requested that a follow up audit be undertaken in 2017/18 on receipt of the limited assurance report at its meeting in March 2017.
SEND General	10	The service has undertaken a self-assessment and produced an action plan. Internal Audit will review progress against the action plan to provide independent assurance that it is being completed.
Care Proceedings - Public Law Order process.	10	The Care Planning and Court Teams are now working together to bring cases to court more efficiently. There have been revised procedures for the transfer of cases involved in care proceedings relating to the Public Law Outline process. Management has requested independent assurance that each stage of the process is being followed in accordance with the procedures, that files are in order and that Children and Families teams are prepared appropriately.
SEN Statements/Education & Care Plans	10	There is a requirement to convert all (100%) SEN Statements into Education and Care Plans by April 2018. The review will ensure that the appropriate processes are in place to ensure that all Statements are converted by the due date.
Youth Offending Service (YOS)	10	Following an external inspection by Her Majesty's Inspectorate for Probation, assurance over the management of reparation hours for young people, to ensure the service is enabling them to be completed in a timely manner will be undertaken.
Pupil Premium Grant - Free School Meals	10	Free school meals (FSM) are used to calculate Pupil Premium Grant (PPG), which should be used to improve performance of pupils receiving FSM. The audit will review the way in which schools manage the PPG to improve the performance of pupils to which it is being targeted.
Families & Children's System	5	The Families and Children's system is under review and a paper will go to Cabinet in June 2017 on a proposal for a new operational model, aimed at reducing demand for services and improving outcomes for children and families. There is no specific work for Internal Audit in 2017/18, however days have been included in the audit plan to provide advice on the control environment as the service develops.



SEND Transformation - wider service review	3	The service is under review to redesign support for people with SEND to ensure they maximise their independence. The initial check process has been undertaken and a project action plan is being developed. A specific review will not be performed but Internal Audit will monitor process during 2017/18 to ensure that it is meeting its timescales.
Primary/Middle/Special Schools Compliance Audit	50	Compliance with approved policies and procedures for key risk areas in accordance with Keeping Your Balance standards.
High Schools Compliance Audit	30	Compliance with approved policies and procedures for key risk areas in accordance with Keeping Your Balance standards.
Themed Audits in Schools	50	Audit work will review the procedures operating in a sample of school to ensure they are in accordance with Authority policy. There will be at least one theme per annum which could include the following areas; safer recruitment, community facilities, out of hours payments or payroll services.
Academies Conversion requirements and development/charging	10	Falls under the responsibility of Entrust with effect from 1st April 2013. Audit information required as part of the conversion to academies.
Public Protection - Claims Management Regulation Unit	12	To ensure that the financial processes and controls are operating as expected for the receipt and banking of income and to follow up the previous recommendations relating to expense claims.
<b>Total No of Days</b>	<b>280</b>	
<b>Economy, Infrastructure and Skills – Darryl Evers</b>		
Infrastructure + Contract (Amey)	40	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 2017/18:-  i) the commissioning role of SCC and how this is being fulfilled since contract commencement ii) an evaluation of the management systems and assurance processes covering the operations of the I+ contract i.e. the Quality Management Systems, Finance Manual and Amey's sources of assurance (their own IA activity) iii) Follow-up the recommendations made in the 2016/17 governance and performance management framework reviews
Local Enterprise Partnership	15	To 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. In 2017/18 specific areas to be covered include :-  (i) A review of the SSLEP's new assurance framework following the publication of the national single assurance framework by DCLG in November 2016 and to test compliance with framework; and (ii) A review of funding received via the SSLEP to support the skills and Employability agenda.
Waste Management - District Council Payments (Recycling Credit Scheme and Trade Waste)	15	The Council procured a new Waste Data Management System in 2016. To conduct a review of the new system arrangements which will cover:-  i)Data management arrangements in place (input and access controls); ii)Performance management reporting arrangement; iii)Quality Assurance checks. iv) Assurance will also be provided over the procurement of the new IT system including any data migration requirements.
Business Continuity Management /Emergency Planning	15	Exercise Aurora took place across Staffordshire in September 2016. To review the recommendations/improvement plan relating to SCC to confirm that appropriate and timely remedial actions have been taken where weaknesses have been identified.
Developers Contributions (S106s)	15	To provide assurance that there are sound systems, processes and controls in place relating to calculation, recording, monitoring, payment and accounting for developers contributions (financial and non-financial) in relation to the community

		infrastructure (S106 agreements).
Local Highways Maintenance Incentive Fund	5	In November 2015, the Department for Transport (DfT) announced £250 million further funding for a dedicated Pothole Action Fund. From this funding, £578 million has been set aside for an Incentive Fund scheme, to reward Councils who demonstrate they are delivering value for money in carrying out cost effective improvements. For 2016/17, the Council received £1.125m as part of the incentive scheme. To undertake an independent verification of the self-assessment sent to the DfT to ensure that answers have been appropriately evidenced and substantiated.
<b>Total No of Days</b>	<b>105</b>	
<b>Finance &amp; Resources – Andy Burns</b>		
SAP Replacement Programme (Integra Financial system)	60.	The SAP Financial System will be replaced during 2017 with the Integra Finance System. On-going Internal Audit activity will be required during 2017/18 to provide assurance over the following areas:-  <u>General Audit Time</u>  i) Attendance at Steering Group; ii) Process Evaluation leading up to sign off of blue prints; iii) Sign off of blue prints for S2C; P2P; NML and Reporting; iv) Integra Control Function; v) New exchequer function (merger of payments and income functions); vi) Integra Roll out to Schools; and vii) Training.
Procure 2 Pay (P2P) - (Integra)	40	During 2017, Procure 2 Pay , the Council's new purchasing and payment solution will go live. Time will be required in 2017/18 to evaluate key controls operating around the P2P module. Scope of work to include:- i) Orders are raised for all relevant purchases. ii) Orders are complete, accurate, authorised and appropriate to the County Council's needs. iii) Invoices are released for payment only under a valid order. iv) payments are complete, accurate and valid (urgent, BACS, cheques). v) VAT and Construction Industry Tax is treated correctly. vi) System reports are accurate, timely and acted upon including compliance with the transparency code. vii) Adequate vendor management controls are in place. viii) Adequate supervision and management structures/ arrangements are in place.
Commercial Services (Procurement)	30	During 2016/17, the commissioning and procurement functions have been reviewed with a view to reshaping the Commercial Services Team (previously Staffordshire Procurement) and redesigning processes including use of a contract management system/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.  In 2017/18, assurance that the Council's new procurement regulations are being complied with as well as assurance over the new ways of working is to be evaluated. This year's work will be split into <b>two</b> reviews:-  (i) procurement for goods, works and services below £25k (Commercial Services Team not involved in these procurement exercises - devolved to services); (ii) procurement for goods, works and services over £25k (Commercial Services Team are involved in these procurement

		<p>exercises).</p> <p>For both reviews, compliance with procurement regulations; maintenance of contract documentation and the contract register; adequacy of training and guidance will be evaluated. Samples will be taken from an analysis of vendor spend during 2017/18. Schools procurement is covered as part of schools audit reviews.</p>
Strategic Property Asset Management and Governance	30	To review the property governance structure including the new framework for decision making.
Service & Commercial Contract Management Arrangements	25	<p>Contract management is carried out in varying forms across the Council. The Commercial Services Team may be involved in contract management. Also service areas may do their own contract management i.e. I+/Penda Property Partnership. In 2017/18, the management of contractors will change with the implementation of Integra which will have within it a contracts register. For a sample of current contracts let across Council (sample to cover several contracts (including the Entrust SDA contract) which are contract managed by the Commercial Services Team and also locally within the specific directorate) evaluate the service and commercial contract management arrangements in place to ensure that:</p> <p>(i) adequate arrangements are in place relating to monitoring contractor performance and payments made under the contract;  (ii) regular benchmarking to ensure VFM; and  (ii) there is formal guidance to provide consistency of process.</p> <p>The outcome of this audit work will inform whether the Council is carrying out the right level of contract management.</p>
Core Payroll & Schools Payrolls - Retained Client & Control Function	25	To provide project support for the design of the payroll retained Client & Control function (Core and Schools), providing advice regarding process design and controls incorporating the functions previously undertaken by the in house team where appropriate. During the final quarter of the year a separate audit will be carried out to review the arrangements operating within the payroll retained control function (core and schools payrolls) to ensure that processes are operating as intended. IA activity will also review the arrangements in place in relation to schools payrolls for assurance on employees and employers contribution payments into the pension fund.
Liberata Payroll System	25	<p>During 2017, the Council's payroll will be provided by Liberata (based at Worcestershire County Council), using the iTrent payroll system under a service contract. Within the first six months of the contract, it has been agreed that SCC Internal audit will review the processes in place within the iTrent Payroll System to ensure that the control environment continues to be robust and is operating as expected including Payroll BACS controls.</p> <p>Letters of Assurance will be obtained from Third Party School Payroll Providers regarding the controls in place for the Council's School's payroll.</p>
Budgetary Control	25	The audit will examine 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 following the implementation of the new financial system Integra.
Sales 2 Cash (S2C) (including operations of Debt Recovery Officers and the Legal Debt Recovery Officer )	25	<p>Previous reviews of debt management have identified a number of issues and a limited assurance opinion was given in 2016/17. This function will also change with the implementation of Integra (Sales to Cash module). The review will cover:</p> <p>i) Raising of debtor accounts;  ii) Controls over credit notes and refunds;  iii) Arrangements for debt recovery;  iv) Allocation of Income to debtor accounts;</p>

		v)Write-offs; vi)Monitoring and reporting arrangements
SAP Replacement Programme (Liberata (iTrent)Payroll System)	20	The SAP Payroll system will be replaced during 2017 with the iTrent HR & Payroll System. Ongoing Internal Audit activity will be required during 2017/18 to give assurance over the following areas:-  <u>General Audit Time</u> i) Continued attendance at Liberata Design Authority Meetings; ii) Process Evaluation and Blueprints; and iii) Evaluation of Training and roll out of processes.  <u>See separate ICT Planned time for</u> i) SAP Payroll archiving; ii) SAP Payroll decommissioning; iii) Data migration; iv)Internal ICT controls and processes..
Capital Receipting Transformation	20	Over the next two years, the Council is aiming to generate £30millin from property disposals to support the MTFS. This requires co-ordination of property assists across the Council. Time will be required in 2017/18 to assist with this project and the scope of the audit will include:  i)Governance arrangements including decision making and approvals to dispose; ii)Monitoring and reporting upon property capital receipting.
Recruitment - Core	15	To review the end to end recruitment process across the Council once the itrent system has been implemented. Scope of the audit to 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.  Letters of Assurance will be obtained from Third Party School Payroll Providers regarding the controls in place for the Council's Schools recruitment processes should this function be provided under their payroll contract.
Nominal Main Ledger (Main Accounting including bank reconciliations)	15	The audit will examine key controls relating to the Council's main accounting system including bank reconciliations following the implementation of the new financial system Integra. .
Mileage & Subsistence expenses - Officers	15	This area will be subject to change during 2017/18 with the development of self-service arrangements. The audit will review the arrangements in place to process and pay mileage and subsistence claims. Scope of work to include:-  (i) policies, procedures and training; (ii) claims submitted are accurate, complete and valid; (iii) authorisation controls; (iv) controls over parameter data; (v) adequacy of reporting and monitoring; (vi) accounting for VAT where appropriate.
Purchasing Cards	15	RBS is the purchase card provider for the Council's purchasing cards. Circa £250k is spent per month via a purchase card and there are around 1000 purchase cards issues across the Council. This will increase further during the year with the continuing reduction in imprest accounts. During 2017/18, purchasing cards are due to be reissued as part of the periodic re-issue programme. In addition, there will be changes to the use of purchasing cards with transaction limits being increased to

		£3k. It is therefore prudent to continue to keep this area under review in 2017/18 to ensure that the issue, administration and monitoring of purchase cards is controlled. The audit review will focus on both the central controls operating by the Payments Team and the controls operated locally at a sample of establishments..
Capital Property Works - Planned (Schools & Non Schools)	12	To undertake a contract monitoring audit of the capital property works provided by Entrust to ensure that contractual performance standards are effectively monitored, managed and reported upon and that payments to Entrust are made in accordance with the contract terms and are for works carried out to the right standard.
Facilities Management - Planned & Reactive Property Maintenance Works (schools and non-schools)	12	To undertake a contract monitoring audit of the facilities management services provided by Entrust for planned and reactive property maintenance works to ensure that contractual performance standards are effectively monitored, managed and reported upon and that payments are made in accordance with the contract terms and are for services received to the right standard. (Schools and non- schools)
IR 35 Legislation (Personal Services Companies)	12	From 6th April 2017, new legislation, known as IR 35, came into force for public sector bodies which changed the way that public sector bodies engage with 'off payroll workers'. Internal Audit will review the new arrangements to provide assurance over compliance with the new IR 35 legislation. This audit will also include the follow up of previous recommendations made in this area.
E - Payments	10	<p>SCC has procured a totally managed/hosted e-payments system from Capita known as AIM (significant upgrade to the old system). The new system went live in December 2016. This area will also be impacted on by the new financial system, Integra. The audit will provide assurance over the continued robustness of the control environment for e-payments in 2017-18.</p> <p>*For information, the level of income received via e-payments has significantly increased since 2015/16 with income from bus lane enforcement, car parking fixed penalty notices and blue badges income all being received via this mechanism. Circa £7m per annum</p>
Business Continuity Management (BCM)- Supply Chain Management	10	<p>The focus of this year's internal audit review is to review the business continuity management arrangements in place for 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> <p>i) a review of contractual requirements in relation to BCM:  ii) Evidence supporting a contractor's BCM requirements (and the role of the Civil Contingencies Unit(CCU) in this);  iii) evidence of BCM testing undertaken on a contractor's BCM arrangements (and the role of the CCU in this);  iv) monitoring and reporting arrangements in place including compliance with the supplier financial appraisal strategy.</p>
Banking Services Contract - Deputyships	5	Time will be required during 2017/18 to provide advice and guidance on the Deputyship's Team's bank accounts and the possible transfer of accounts from the Allied Irish Bank to Lloyds bank.
Insurance	3	IA will continue to provide the fidelity guarantee renewal under writing information in relation to systems and controls.
Medium Term Financial Strategy - Delivery Plan	15	<p>The MTFs for the 5 year period 2017 to 2022 requires additional savings of £66m. Our work in 2014/15 gave this area adequate assurance. In 2015/16, audit work reviewed the business planning process and how the I&amp;E process was embedded within business planning (also adequate assurance).</p> <p>In 2016/17, the governance arrangements for MTFs savings changed with a delivery plan being developed which is overseen by the Insight, Planning and Performance Team which references MTFs savings. Corporate Finance also have their own governance arrangements for recording and reporting savings. In 2017/18, Internal Audit activity will review a sample of savings relating to both Business as Usual (BAU) and the Transformation Programme included in the MTFs and will assess the robustness of plans/structures/management awareness/Links between Project Managers and Finance teams etc. in order</p>

		to identify, monitor and deliver these. The governance arrangements underpinning the delivery plan process will also be assessed in relation to the scrutiny, challenge and reporting of MTFs Savings to management and members including the links to Corporate Finance.
<b>Total No of Days</b>	<b>464</b>	
<b>Strategy, Governance &amp; Change– John Tradewell</b>		
Corporate Governance - Scheme of Delegations	25	Scope of work in 2017/18, will ensure the adequacy of and adherence to the Council's Scheme and Sub Schemes of Delegation and in particular to: i) review the schemes of delegation across all levels of the organisation from members to officers to see if they are still fit for purpose ii) review a sample of Council functions where delivery is provided by an alternative delivery model i.e. outsourced/strategic partnership to confirm how this is reflected in the relevant sub Schemes of Delegation. iii) follow up on the recommendations made as part of the 2016/17 audit review.
Deputyships	15	In April 2014, the Deputyships function transferred from People (Adult Safeguarding) to Strategy, Governance & Change (Legal Services Unit). A limited assurance opinion was given of this area in 2015/16. As there have been several changes in this area in 2016/17, a high level review will be undertaken along with a follow up of the recommendations from 2015/16.
People Helping People (PHP): Community Capacity - Volunteer Strategy including use of volunteers	10	As part of the PHP agenda, a Capacity Building Partner has been procured and a four year contract went live on 1 August 2016. In 2017/18 the audit will evaluate:-  i) the governance arrangements which underpin the partnership; ii) arrangements in place for contract managing and mentoring the performance of the partner; iii) the arrangements for reporting on outcomes and achievements; iv) for capturing savings made as a result of building community capacity via the contract.
Deprivation of Liberty Safeguards (DoLS)	10	The Deprivation of Liberty Safeguards (DoLS) are part of the Mental capacity Act 2005. They aim to make sure that people are looked after in a way that does not inappropriately restrict their freedom. The number of Deprivation of Liberty Safeguards (DoLS) referrals has increased significantly from 289 referrals in 2013 to over 3000 in 2016/17. The increase in caseloads has concerned management and Internal Audit has continued to review this area over the last few years.
Strategic Workforce Planning including Apprenticeship Levy	10	To review and evaluate:-  i) how strategic workforce planning links into the strategic and service planning process; ii) how the council identifies the skills needed within the authority; iii) the Council's arrangements in place to manage apprenticeships from April 2017 and access to the levy and reporting arrangements; iv) how functional changes/restructures impact on workforce planning; and v) vacancy management and succession planning. vi) management of the digital account
<b>Total No of Days</b>	<b>70</b>	
<b>Health &amp; Care – Richard Harling</b>		
Brokerage Service	45	Changes in the S75 agreement with SSOTP have led to the long term care budget being transferred back to the Council. A new centralised brokerage service has been set up to enable the Council to provide consistency of service across all client functions, as well as providing timely performance and financial information to underpin its operations. The brokerage pathways have been redesigned and management see this as a critical risk, thus have requested this area be reviewed and there will be three audits in this area:

		<p>i) Review of redesigned pathways, how well are they working and how disciplined is the process. This will be an early review in May/June 17.</p> <p>ii) Review of compliance with procedures to ensure that they are still being applied and the model is fit for purpose.</p> <p>iii) Performance Management arrangements, how are they working and is there effective governance.(15 days)</p> <p>Scope for all three audits to be developed further with commissioner.</p> <p>The dynamic purchasing system (DPS) is part of brokerage and this will be reviewed separately – see the Residential and Nursing audit on the plan.</p>
Staffordshire & Stoke on Trent Partnership NHS Trust - Contract Management	25	A new Section 75 agreement with SSOTP came into force from 1 <sup>st</sup> April 2017. New contract management and performance monitoring arrangements will be in place to ensure the contract terms and conditions are being met. Internal audit will review the contract management arrangements in place by the service to ensure that contractual performance standards are effectively monitored, managed and reported upon and that payments to SSOTP are made in accordance with the contract terms.
Care Director Upgrade - process review	20	To provide Internal Audit support as required in the redesign of systems and processes in relation to the upgraded system which will go live in 2017.
Residential and Nursing Care	20	New contracts have been awarded and implementation in 2017/18. A new dynamic purchasing system (DPS) will be in operation to enable the brokerage team and providers to provide a more efficient operation for the award of residential care placements. The review will provide assurance over the process to ensure that commissioning intentions have been achieved.
Home and Community Care Contract	15	Domiciliary Care contracts are being tendered currently with an implementation date during September 2017. Depending on the implementation date, a post tendering review as to whether the process was effective in terms of affordability, quality and price will be undertaken.
All Age Disability - Supported Living	15	New framework contract is in place with effect from 1 <sup>st</sup> April 2017. There will be separate outcomes and performance frameworks in place. The review will provide assurance over the contract management and monitoring arrangements with specific reference to the performance framework in 2017/18. Further work will be undertaken in 2018/19 on the outcomes framework once it has had time to embed.
Appointeeship Steering Group	15	A review of the S75 Agreement with Staffordshire and Stoke on Trent Partnership Trust means that they will cease to be responsible for the administration of appointeeships from 1/4/2018. A Steering Group has been set up to consider the options available for the administration of appointeeships. Internal Audit will sit on the Steering Group. Time has been included to cover any audit work arising as a result of work streams being set up.
Fairer Charging and Welfare Benefits	20	An internal review of the fairer charging and welfare benefits process that is carried out by District Councils is being undertaken. Internal Audit has been asked to assist with the review of the aged debt process to ensure timely collection and recovery particularly in relation to that secured against property..
Better Care Fund - Pass through money	10	The County Council has received pass through money (previously known as S256) circa £ 16.5 million in 2016/17. This funding has been split with both the SSOTP 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.
Direct Payments - Prepaid cards	10	The method for administering direct payments is under review with the option to use a pre-paid card system. In 2017/18 Internal Audit will review the business case for this proposal and advise on the internal control environment to ensure that adequate controls are designed and are in place.
Substance Misuse (Alcohol & Drugs Programme)	10	To review the revised contractual arrangements to ensure that contracts and service quality issues are being appropriately monitored.

Mental Health: Recuperation of health contributions	10	Previously Internal Audit reviewed the arrangements for the agreement and recuperation of health contributions towards the payment of care costs for the provision of Mental Health Support packages. This was a consultancy exercise undertaken at the request of management which identified some high level risks. This work will be followed up in 2017/18, additional work will be required as to whether the process for placement/funding agreements with CCGs are operating effectively.
All Age Disability - Individual Service Funds	10	A pilot of Independent Service Funds with three providers went live in February 2017, with other providers joining from 1 <sup>st</sup> April 2017. New procedures and guidance has been issued and Internal Audit will provide assurance over compliance with procedures.
Crowd Funding	5	As part of the wider of People Helping People agenda a Staffordshire Crowd Funding Platform will be developed to identify a clear pipeline of opportunities to maximise social investment into Staffordshire. Initial investment towards projects will be £50,000 based on whether a project meets SCC criteria for funding. Internal Audit involvement will be a review of the policy and guidance
<b>Total No of Days</b>	<b>230</b>	
<b>ICT – Andy Burns</b>		
SAP Replacement	60	The following areas will be covered for both Integra and iTrent: i) system security ii) data migration iii) user acceptance testing iv) data archiving & SAP decommissioning v) interfaces with the Integra system including all feeder systems e.g. Care Director, Payroll
Cybersecurity - Incident Preparedness and response effectiveness.	20	Based on the NIST Cybersecurity framework, this audit will seek to provide management with an assessment of the Councils cybersecurity preparedness and response effectiveness. This will include the assessment of the following areas: Asset management, Governance (including ownership, accountability and policies/strategies), cybersecurity risk management, response and recovery planning and communications.
Care Director Upgrade - IT Audit	20	To review the governance arrangements for the Care Director System v5 upgrade and the proposed benefits realisation. Further work to be undertaken includes: i) user acceptance testing arrangements ii) examination of the controls in place for Interface/Interconnections with other business systems including the NHS Personal Demographic Service (Spine) iii) examination of the controls in place to ensure the successful migration of Care Director data to the new system iv) benefits realisation at the conclusion of the upgrade project.
IT Disaster Recovery	15	The review will consider the following key areas that: i) responsibilities for the management and operation of IT disaster recovery arrangements are well defined. ii) an effective risk assessment has been carried out to identify the business and IT systems critical to the organisation. iii) preventative measures are in place to reduce the risk and impact of an IT disaster. iv) procedures allow the recovery from a partial or total loss of computing and business services in a controlled manner. v) there is a robust testing regime in place.
Kingston Data Centre Move	10	The review will cover the following areas to ensure that: i) adequate project governance arrangements in place for the Data Centre move project. ii) adequate physical and environmental controls are in place at the new Data Centre.
Staffordshire ICT (SICT) Governance	12	To undertake a high level review of SICT Governance arrangements. The audit will establish whether key stakeholders are fully informed of IT objectives and strategies. It will also determine if a relationship exists between IT and business objectives



		and if this relationship has been established through participation between both IT and business management.
TRIM (records management)	12	There will be an increased use of the Trim document storage system following the introduction of the itrent HR/Payroll system. The review will cover the following areas: i) to ensure that the application and database servers are secure and conform to best practice. ii) to ensure that data management and security best practices are also conformed to including access to data and data retention.
Cloud Procurement	15	The review will evaluate the procurement arrangements for situations where sections wish to acquire cloud based services in order to deliver their service functions. Attention will be given to arrangements in place to ensure that the correct procedures/protocols are followed in the procurement of cloud services
<b>Total No of Days</b>	<b>164</b>	
<b>Grant Verification Work</b>		
Superfast Broadband for Staffordshire Project	5	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 the end of June 2017 and therefore time is required in the audit plan to undertake this work. In respect of the governance arrangements for the programme, assurance will be taken from the positive assurance statement provided by BDUK.
Centralisation of Archives Services	3	A successful bid from the Heritage Lottery Fund means that the three Records Offices can be centralised into one accessible, modern site at Stafford. This project requires a substantial extension to Staffordshire Record Office which is to be funded primarily from the bid circa £4m. Audit time is required in 2017/18 to review the expenditure as part of the grant claim.
Rural Enterprise Programme	3	Rural Enterprise Programme is ERDF funded Programme consists of Capital £2million ( to be issued out as grants to SME's) and Revenue of £235,092 ( to cover salaries and marketing, overheads etc.). The programme runs until July 2019. Internal audit will provide assurance that all money and spend can be accounted for and that it complies with grant conditions.
Better Care Fund - Disabled Facilities Grant (DFG)	1	The DFG of £3.8m is channelled through the BCF pool and pass-ported to District Councils. The grant conditions require sign off by the Chief Internal Auditor (CIA). The agreement with the Districts is that their CIAs will provide assurance and any audit reports, which will be reviewed by the County CIA who will subsequently sign off the required return.
Local Growth Deal Fund (1, 2 &3) - Grant Verification	12	The purpose of the Local Growth Fund (LGF) is to provide funds to local enterprise partnerships for projects that benefit the local area and economy. Staffordshire County Council received LGF monies of £33.36m in 2016/17. In 2017/18, £17,662m will be received. In total for 2017/18 to 2020/21, SCC will receive £50,517million. There are a number of 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. Therefore a grant verification exercise will be required to be completed by 29th July 2017.
Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance)	10	£22,953m has been received by SCC in 2016/17 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 in order to comply with the conditions of the funding (due September 2017). As part of this sum £1,125m has been received relating to the Highways Maintenance incentive element.
Building Resilient Families	12	Department for Communities and Local Government has undertaken spot checks on this area and outcome was positive. Audit work will continue in 2017/18 as follows: i) to undertake the verification of the claims submitted for the payment by results element of the troubled families grant to ensure that they meet the prescribed government criteria. ii) to provide advice/support on any additional phases of the scheme.
Keele & North Staffs Primary Trust - Initial Teacher Training	2	Internal Audit will provide assurance that the funding has been spent in accordance with the relevant terms and conditions of the grant.

Local Sustainable Transport Fund	10	The grant conditions require a grant declaration to be signed by the Chief Internal Auditor (due March 2018) to confirm that grant conditions have been complied with. Local Growth Deal revenue funding of £5m (£4m SCC & £1m SoTCC) have been received via the Local Growth Fund for Local Sustainable Transport schemes (managed through the SSLEP). The revenue grant conditions require a grant declaration to be signed by the Chief Internal Auditor (due March 2018) to confirm that grant conditions have been complied with.
Department for Transport - Bus Subsidy Grant	10	The Department For Transport has awarded SCC £700k in 2016/17 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 September 2017. Time is therefore required in the audit plan to undertake this grant verification exercise.
<b>Total No of Days</b>	<b>68</b>	
<b>Cross Cutting Reviews</b>		
Delivering Good Governance - Corporate Governance Working Group	40	CIFPA in 2016 published its work on delivering good governance in Local Government: Framework (2016 edition). It is important that the Council ensures that it is aware of the contents of this publication and where appropriate, make improvements. In respect of this, the CIA's attendance 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/Code of Corporate Governance.
Risk Management	20	Time will be required in the Internal Audit plan to develop SCC's Corporate Risk Register, Corporate Risk Framework and Assurance Framework. This will also include time to report to Corporate Governance Working Group and Audit & Standards Committee.
Controls Assurance	20	For a sample of risks contained in the Corporate and Operational Risk Registers, evaluate the internal controls in place and relied upon to mitigate these risks to ensure that they are operating as expected. This work will provide independent assurance over the Council's risk management framework in place.
<b>Total No of Days</b>	<b>80</b>	
Management of the Service	135	
Contingency	30	
<b>Total Days For SCC Plan</b>	<b>1626</b>	

## Appendix C – SCC Counter Fraud Plan 2017/18

Area	Number of Days
To review the County Council's Anti-Fraud, Bribery and Theft Policy to ensure that it continues meets best practice.	
To update the strategic fraud risk register for the County Council, following which individual departmental/section fraud risk assessments will be undertaken. In addition these will also consider theft related risks to ensure those areas that have been susceptible to theft previously have been identified.	
To report progress in the development of the Counter Fraud arrangements to the Audit & Standards Committee on a regular basis.	
To report the appropriate information for inclusion within the Transparency Code declaration.	
To continue to set up the joint working arrangements with the North Staffordshire Fraud Hub.	
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.	
To develop a structured programme on Fraud and Corruption awareness for Elected Members and Senior Managers	
To Update the Fraud Manual and produce a Fraud Strategy	
<b>Total Days</b>	<b>40</b>
Following the implementation of a Fraud, Theft and Money Laundering communications strategy in 2016/17 this will be further developed through workshops and publication of awareness raising materials including the Fraudwatch publication. This will also include ongoing development of the Council's website relating to fraud and fraud issues.	
Continue to monitor calls made to the County Council's Fraud Hotline and take appropriate action and disseminate intelligence received from the National Anti-Fraud Network of Local Authorities.	
<b>Total Days</b>	<b>15</b>
To review a sample of auditable areas that are considered susceptible to fraud. Areas may include : continuous controls monitoring (payroll & finance,) high level/high value travel claims, high value purchase card payments; testing of deputyship and community accounts transactions, targeted tested relating to income clearing accounts to highlight delays in banking, and anti-fraud and corruption arrangements in place for some key contractors. This is not an exhaustive list and may be subject to change in year to take account of irregularities detected and/or professional publications.	
To review the key controls in operation within the system for the processing and payment for Members allowances and expenses.	
To review the processes in place for a sample of establishments (anticipated to be three) to ensure that all income (cash, cheques and chip and pin) received is recorded and banked intact. Establishments to be visited will be selected based on the amount of income collected received.	
To assess and evaluate Members and Officers understanding of the Council's rules regarding gifts and hospitality. The approach to this work will be to develop a questionnaire (via survey monkey) to be issued across the Council (Members and Officers). The learning from this exercise can inform future fraud awareness training and the staff and member induction process.	

To continue to review how the Council conforms to the set of 6 guiding principles detailed in the Ministry of Justices' guidance on 'adequate procedures' in relation to the Bribery Act 2010. This will include:- (i) Liaison with the CGWG with regards to the update of Bribery Risk Assessments for those key areas of the County Council considered susceptible to bribery; (ii) Review of Members and Officers understanding of what bribery is and anti- bribery measures the Council has in place (see also work on gifts and hospitality planned)	
A sample of section 17 payments will be examined to ensure that they comply with the regulatory guidance.	
<b>Total Days</b>	<b>120</b>
To carry out the NFI data matching investigations in accordance with Internal Audits NFI protocol. As part of the 2016 exercise the potential matches were released by the Cabinet Office in February 2017 to individual Authorities for investigation.	
To undertake a targeted counter fraud exercise to review a sample of high level overtime claims processed during 2017/18 and verify for legitimacy.	
In 2017/18, proactive regular monitoring of imprest account balances and notification to Directorate Finance Teams of balances requiring investigation and/or unannounced visits to establishments overdrawn will be carried out.	
Local Authority procurement is at risk of infiltration from serious and organised crime and organised crime groups could be benefiting from public sector contracts. A recent report by the Home Office published in December 2016 stated that the procurement areas at risk were waste firms and taxis. In 2017/18, Internal Audit will assess the serious and organised crime risks that relate to the Council using the Serious and Organised Crime Checklist produced by the Home Office.	
To review a sample of direct payments to ensure that the account has been operated and used in accordance with the policy requirements.	
The new home and community care contract links the payment to providers via the CM2000 system. Providers are required to log calls at the service user's home whilst performing the care visit. The new contract requires 95% compliant. Internal Audit will select a sample of providers and review the compliance rates element.	
<b>Total Days</b>	<b>98</b>
Continue to undertake investigative work when issues of concern are identified through routine audit, reported by management or via the whistleblowing processes in place	
<b>Total Days</b>	<b>200</b>
Representation at the MCCIAG Fraud Sub group and SCAG working groups	
Continued liaison with the Director of Finance and Resources and the Director of Strategy, Governance and Change as and when issues arise.	
<b>Grand Total (Days)</b>	<b>473</b>

## Appendix D – Staffordshire Pension Fund Internal Audit Plan – 2017/18

Pensions Fund - <u>Investments</u> Custodian, Investment Managers and Pensions Property (Inc governance arrangements)	15	To review the arrangements in place for managing and monitoring the activities of SCC's Pension Fund Investment Managers, the Custodian and the Investment & Property Management Consultants. The review will include an evaluation of the governance arrangements in place in relation to the Pension fund as well as the accounting arrangements in place. Assurance will also be taken from the Investment Managers, Custodian and the Property Consultant's control Reports (SAS 70 & AAF/106 reports).
Pensions Fund - <u>Investments</u> Custodian, Investment Managers and Pensions Property - Due Diligence Visit	4	In addition, to accompany the Treasury Management Team on a due diligence visit to Northern Trust to obtain assurance over their future control environment. ** Particularly important if Northern Trust are successful in being selected to provide the custodian for the joint pension fund investment pool.
Local Government Pension Scheme (LGPS) Asset Pooling	10	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 a number of 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. Time will be required in 2017/18 to liaise with Treasury Services and the other Midland Authorities to develop a strategy for providing internal audit assurance over this area of activity in the future across the company and the joint investment pool. Each Council's External Audit firms will also be involved in discussions.
Pension Fund - <u>Governance</u>	6	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 Regulations also introduced the requirement for new pension fund governance arrangements i.e. a Pensions Board. A follow up review will be carried out in 2017/18 to ensure that the issues raised as part of the 2016/17 have been satisfactorily addressed.
Pension Fund - <u>Pensions Administration</u>	25	To 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
Pension Fund - <u>Pensions Administration - Schools</u>	0	To confirm the arrangements in place to ensure that the correct employee and employer contributions are being paid into Pension fund via the schools payroll providers. This area will be incorporated into the review of the retained client and control function for Liberata payroll.
Pension Fund - <u>Pensions Administration - I Connects</u>	3	To provide project support for the introduction of the I-Connects system. I Connects will be piloted with Tamworth Borough Council during quarter 1 of 2017/18. Internal Audit will assist in the design of processes to control this area where required.
Pension Fund - <u>Pensions Administration - Annual Assurances from Admitted Bodies</u>	10	The Pensions Manager has requested that IA perform an exercise to look at a sample of organisations who have not returned their annual pensions return confirming compliance with the Pensions Regulations 2015 and to gain assurance that contributions are being paid into the fund at the correct rates and that leavers of the LGPS are being treated correctly.
Pension Fund - <u>Pensions Administration</u> ALTAIR -IT Pensions system	10	To undertake an application review and give assurance over its operations including, input, processing and output controls, reconciliation processes, pension BACS payments, access and disaster recovery arrangements. The I Connects software (data portal which feeds transactional from employers directly to the Altair Pensions System) should also be reviewed from an IT perspective.
<b>Total No of Days</b>	<b>83</b>	

## Appendix E – Quality Assurance Programme

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### 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.

During 2017/18 an External Quality Assessment of the Team will be performed by Chartered Institute of Public Finance & Accountancy (CIPFA). During the year details of the scope of the review together with the results will be reported to the Audit & Standards Committee in accordance with PSIAS

