DRAFT INTERNAL AUDIT PLAN 2019/20

East Sussex County Council

Planned Audit Reviews

Review Name	Outline Objective
Schools	We will continue our audit coverage in schools which will involve a range of assurance work, including key controls testing in individual schools, follow-ups of previous audit work and themed reviews. We will also work with our Orbis partners to provide information bulletins and guidance for schools on risk, governance and internal control matters.
Parking	A review to assess the various aspects of ESCC parking arrangements, where there are risks of invalid payments, poor performance of contractors and also inadequate income collection procedures, resulting in financial loss to the Authority. The audit will include contract management, budget and financial management and income collection.
Transport for the South East	Transport for the South East is a sub-national transport body created to improve the transport network and grow the economy of the whole South East area. It is currently bidding to achieve statutory status. ESCC is the accountable body and there are clear financial and reputational risks associated with this. We will therefore complete a review of the governance and financial management arrangements in place once statutory status has been achieved.
Care Assessment Process	To complete an audit of children's care assessments and the management of care provision. This will include looking at arrangements for the commissioning and procurement of care, cost identification and forecasting, financial monitoring and reporting, and the arrangements for reviewing care packages over time to ensure they remain effective in delivering care needs and managing costs.
Commissioning of Adult Social Care Services	A review of social care commissioning and contract management arrangements within the Adult Social Care Department to provide assurance that roles and responsibilities are sufficiently clear and robust to deliver the required outcomes and to maximise efficiency within the process.
Health and Social Care Integration	Continued audit advice, support and assurance in relation to the integration of health and social care. We will work with Adult Social Care and Finance colleagues to identify key areas of support to help provide assurance that a sufficiently robust framework of control exists in this complex and changing area.

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Review Name	Outline Objective
Direct Payments	A review to examine the system of control associated with the administration, payment and monitoring of direct payments to social care clients, following the transfer of management arrangements in this area from Business Operations to the Adult Social Care Department.
Declaration of Interests and Gifts/Hospitality, and Secondary Employment	This audit will assess the arrangements in place within the Council to manage staff declarations of interest and gifts and hospitality. This will include an assessment of compliance with corporate policy and will seek to confirm that declarations made are appropriately managed. In addition, we will also review the adequacy of arrangements within the Council to identify and manage staff secondary employment.
Business Continuity	A review to examine the adequacy and effectiveness of business continuity arrangements across the Council, covering issues such as roles and responsibilities, identification of business critical services, adequacy of response plans, communication, testing and review. As part of this, business continuity risks specifically associated with Brexit, and the Council's preparation for these, will be assessed.
Procure to Pay	To review the processes and key controls relating to the accounts payable system, including those in place for ensuring the accuracy of vendor details, the processing of invoices, goods receipting and promptness of payments.
Accounts Receivable	To review the processes and key controls relating to the accounts receivable system, including those in place for ensuring the accuracy of customer details, completeness, accuracy and timeliness of invoicing, recording and matching payments to invoices, and debt recovery.
HR/Payroll	To review controls in relation to the staff payment system, including those relating to starters, leavers, temporary and permanent payments, variations of pay, overpayments and pre-employment checks.
Pensions Fund Administration - Process and Systems	We will review controls over the calculation and payment of pension benefits, transfers to and from the Pension Fund and the collection and recording of pension contributions from scheduled and admitted bodies.
Pension Fund - Compliance with Regulatory Requirements	A review of the effectiveness of management assurance processes to ensure compliance with statutory and regulatory requirements.

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Review Name	Outline Objective
Pension Fund - Governance, Strategy and Investments	We shall review the adequacy of governance arrangements over the East Sussex Pension Fund, to cover strategy and the arrangements to manage investments, including pooling arrangements, and the internal controls of external fund managers.
Treasury Management (TM)	A review to assess the adequacy of key controls and procedures across the Council's Treasury Management arrangements, including cash flow forecasting, segregation of duties, financial investments and use of treasury advisers. This will also include an assessment of the impact of changes as a result of Orbis integration.
General Ledger	A key financial system audit. To review controls in relation to the Council's general ledger, including year-end procedures, journal transfers and bank reconciliation.
Adult Social Care Liquidlogic (LAS) and Controcc	A review to assess the adequacy of controls within the LAS (client information and management system for Adults) and Controcc (the social care payments and billing system).
Children's Social Care Liquidlogic (LCS) and Controcc	A review to assess the adequacy of controls within the LCS (client information and case management system for Children) and Controcc (the social care payments and billing system.
Making Tax Digital	A review of the robustness of the preparations made by the Council for the compulsory digital tax-keeping records from HMRC – Making Tax Digital (MTD) – which come into effect for local authorities on 1 October 2019.
Orbis Integrated Budget Management Follow Up	This review will assess the implementation of the agreed actions arising from the Orbis Integrated Budget Management audit that was completed in 2018/19 and which received an audit opinion of partial assurance. In addition, we will evaluate the effectiveness of budget management arrangements for a sample of individual service budgets within Orbis.
Grants	We will continue to undertake grant certification work where the Authority has bid for grant funding. In many instances, certification is required by the grant funding body prior to reimbursing the funds or prior to applying for further grants. Wherever possible, we will seek to ensure we are able to recover the costs of this work through the bidding process.

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Review Name	Outline Objective
Commissioning and Delivery of Property Projects	This review will focus on the commissioning, planning, approval and delivery of a sample of projects within the Property Division of Business Services, with a view to providing assurance that they are aligned with the needs of the Council and deliver their objectives within the resources available.
Atrium	Atrium is the property asset management system used by the Council. In previous years', we have provided assurance over the implementation of certain modules of Atrium, highlighting key risks and issues. We will continue this work for any new modules being implemented, and will also review the operation of controls within those elements of the system already in place.
Council Procurement Practices	A review to assess the adequacy and effectiveness of procurement practices across the Council, potentially including: • The role of the Procurement team; • Compliance with Procurement Standing Orders, including the use of waivers and the award of contracts; • Supply chain management, supplier resilience, business continuity and the associated risks of Brexit; • Procurement transparency requirements; • Management of social value requirements.
Anti Fraud and Corruption	To cover the investigation of potential fraud and irregularity allegations as well as proactive counter fraud activities, including the National Fraud Initiative (NFI) data matching exercise.
Cultural Compliance	This review will aim to provide assurance over basic management controls within a sample of teams across the organisation, assessing compliance with key council policies and procedures.
E-Recruitment System	Advice and support on controls associated with the new e-recruitment system, TribePad, which is to interface directly into the Council's main financial system, SAP.
Travel and Expenses Follow Up	A follow-up review of the Travel and Expenses audit that was completed in 2018/19 and which received an audit opinion of partial assurance. This will also include audit advice and support into the project to source an automated solution for staff travel and expenses.

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Review Name	Outline Objective
Cyber Security	The audit will review the Authority's arrangements for protecting its systems and services from cyber-attack, including arrangements for effectively responding to attacks as and when they occur.
Orbis Data Centre	A review of the Orbis data centre to ensure appropriate controls are in place to prevent unauthorised physical and electronic access (including 3rd party access) to data held within the centre. The audit will also consider the effectiveness of controls to protect the servers from fire, electrical and water damage; and review the adequacy of backup arrangements to ensure systems and services are not affected in the event of an outage. Where possible, we will place reliance on assurances already available.
Network Security	Significant changes to the way the network is secured are planned, with these beginning to take effect during 2019/20 and fully established in 2020/21. This audit will review the current network security arrangements, and will critically evaluate the planned changes.
Patch Management	We will review the controls in place to support effective patch management ensuring that patches are tested prior to being applied and that they are applied in a timely manner.
Cloud Computing	From a sample of applications and systems retained in the cloud, we will review the controls in place to manage the security, access, recovery and deletion of the data.
Liquid Logic Application Controls Audit	This review will evaluate the application controls over the Council's major social care systems which make up a significant proportion of its payments to suppliers. The audit will review all major input, processing and output controls and the controls in place to interface with the main payment system and general ledger.
ICT Compliance Frameworks	The Council's application to the Government's Public Sector Network (PSN) Code of Connection (CoCo) provides significant assurance over its ICT governance arrangements. With the demise of the CoCo PSN assessment, we will review the ICT governance arrangements in place and, where appropriate, rely on any other suitable sources of assurance, such as the Cyber Essentials Plus submissions.
Surveillance Cameras	We will review the effectiveness of the controls in place to meet the requirements of the Security Camera Commissioner's Code of Practice. This will include a follow-up of the findings of previous audit work in this area.

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Review Name	Outline Objective
IT&D Project Management	To review the project management arrangements for a sample of high priority/risk IT&D projects.
Mobile Device Migration	This audit will review the controls for managing the security of mobile devices and the arrangements for securing the data contained on these.
Potential Follow-Up Audits (from quarter 4 work in 2018/19)	This will cover any follow-up audit reviews arising from our work in quarter 4 of 2018/19.

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Internal Audit Service Management and Delivery

Review Name	Outline Objective
Action Tracking	Ongoing action tracking and reporting of agreed, high risk actions.
Annual Internal Audit Report and Opinion	Creation of Annual Report and Opinion.
Audit and Fraud Management	Overall management of all audit and counter fraud activity, including work allocation, work scheduling and Orbis Audit Manager meetings.
Audit and Fraud Reporting	Production of periodic reports to management and Audit Committee covering results of all audit and anti-fraud activity.
Audit Committee and other Member Support	Ongoing liaison with Members on internal audit matters and attending Audit Committee meetings and associated pre-meetings.
Client Service Liaison	Liaison with clients and departmental management teams throughout the year.
Client Support and Advice	Ad hoc advice, guidance and support on risk, internal control and governance matters provided to clients and services throughout the year.
External Liaison	Liaison with external auditors and other external bodies, including attendance at regional and national audit groups and counter fraud hubs.
Orbis IA Developments	Audit and corporate fraud service developments, including quality improvement and ensuring compliance with Public Sector Internal Audit Standards.
Organisational Management Support	Attendance and ongoing support to organisational management meetings, e.g. Financial Management Team (FMT), Statutory Officers Group (SOG).
Strategy and Annual Audit Planning	Development and production of the Internal Audit Strategy and Annual Audit Plan, including consultation with management and Members.
System Development and Administration	Development and administration of Audit and Fraud Management systems.