

# INTERNAL AUDIT PLAN

## 2020/21



### Planned Audit Reviews

Review Name	Outline Objective
Delayed Transfers of Care (DTC)	A 'Delayed Transfer of Care' occurs when a patient is ready to leave a hospital or similar care provider but is still occupying a bed. Delays can occur when patients are being discharged home or to a supported care facility, such as a residential or nursing home, or are awaiting transfer to a community hospital or hospice. We will assess the controls in place around the system and processes for identifying, measuring and recording acute and non-acute DTC, where these can affect waiting times for NHS care and result in fines of £130 per day for each DTC.
Home Care Commissioning	To review the arrangements in place over the re-commissioning of home care provision which is a significant area of spend (circa £20million per annum) and where there is a risk that adequate provision to meet the needs of the population is not obtained.
Public Health Budget	To review the new processes and structures set-up for financial management and monitoring of the Public Health grant and spending, to ensure transparency and accountability in accordance with the terms of the grant.
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).
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.
Adoption South East	The government wish to regionalise adoption services in an effort to improve performance. Adoption South East will include East and West Sussex, Surrey and Brighton and Hove adoption services. ESCC will host this service and a pooled budget will be in place. We will therefore review the governance arrangements and financial management of the regionalised service where, as the host authority, there will be reputational and financial risks to ESCC.
Children's Safeguarding	Social workers/safeguarding teams often use video to

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Data Handling	record interviews and other interactions with children. This audit will seek to ensure there is an appropriate Data Protection Impact Assessment (DPIA) in place and being complied with, appropriate permissions are sought, and data is encrypted in transit and deleted as appropriate.
Looked After Children – Financial Modelling	Looked After Children is a major area of spend for the Council and it is essential that future budgetary forecasts are accurate to enable effective forward planning. Financial modelling in this area has recently been subject to revision and we will therefore assess the arrangements in place to ensure they are fit for purpose.
Children’s Centres	A review of the financial management arrangements at a sample of East Sussex Children’s Centres, covering budget monitoring and reporting, recruitment and induction, payments to staff, expenditure, income, and the security of assets.
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).
Contract Management	We will review the contract management arrangements in place for a sample of contracts within the Council, concentrating on critical, high risk contracts where inadequate contract management would impact on the Council’s ability to deliver key services in accordance with its core offer.
Project Management	To review the adequacy and effectiveness of project management arrangements for a sample of critical Council projects, where inadequate arrangements could impact on the Council’s ability to deliver key services in accordance with its core offer.
Highways Maintenance Contract Re-Procurement	To provide a watching brief over the arrangements for the re-procurement of a new highways maintenance contract, advising on risk, governance and internal control matters as they arise.
Health and Safety	This review, potentially utilising specialist external expertise, will cover the adequacy of arrangements for

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	ensuring that the Council provides a safe working environment for all staff, contractors and others affected by the services it provides. This will include reviewing the Council's health and safety policies and procedures, communication and awareness arrangements and compliance with health and safety legislation.
Section 106 Agreements	S106 of the Town and Country Planning Act 1990 allows a local planning authority to enter into a legally-binding planning obligation with a developer in association with the granting of planning permission. The obligation is termed a S106 Agreement and these are normally required to mitigate impacts arising from large scale developments. We will review the arrangements in place to manage and monitor S106 Agreements to ensure opportunities are appropriately identified and agreed, amounts are collected in full and developer obligations are met.
Making Tax Digital	A review of the robustness of the preparations made by the Council for phase 2 of HMRC's compulsory requirement to maintain digital tax records – Making Tax Digital (MTD).
Atrium Replacement	To provide advice and support over the implementation of a new property management system, particularly in relation to governance, risk management and internal control.
Business Operations Performance	To review the arrangements in place, following restructuring of the service, to manage and monitor the performance of the Business Operations Team who provide back-office services for the Council, including payroll, accounts payable, accounts receivable and pension fund administration. This will include seeking assurance that agreed actions from the 31/10 review have been implemented.
East Sussex Pension Fund (ESPF)	Internal audit work in relation to the ESPF in accordance with the recently updated Internal Audit Strategy for the Fund, which includes a significant increase in audit days focussing on pension fund activities. The work in 2020/21 will also include the follow-up of all agreed actions arising from audit reviews undertaken in 2019/20 that resulted in partial and minimal audit opinions.
Budget Management	The continued savings agenda means that the setting of realistic and properly informed budgets is ever more important. Where budgets are developed without using all

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	<p>relevant information, they are more likely to over/underspend, resulting in increased pressure on Council services. This review will appraise the process for the development of a select set of high-risk budgets, particularly in terms of how they are calculated and the evidence-base available to support this, and the programme in place to monitor progress and, where appropriate, take corrective action, throughout the year.</p>
Procure to Pay	<p>To review the processes and key controls relating to the procure to pay system, including those in place for ordering, the creation of vendor details, the payment of invoices, goods receipting and promptness of payments.</p>
Accounts Receivable	<p>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.</p>
Treasury Management	<p>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.</p>
General Ledger	<p>To review controls in relation to the Council's general ledger, including year-end procedures, journal transfers and bank reconciliation.</p>
HR/Payroll	<p>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.</p>
Compliance with IR35 (off-payroll workers)	<p>Special tax rules (IR35) apply where a worker provides his/her services through their own intermediary, for example a Personal Service Company (PSC). Prior to April 2017, the intermediary was liable for income tax and national insurance contributions (NICs) for that person. However, amended legislation affecting public authorities was implemented in April 2017. As a result, when a public authority engages with a worker provided via an intermediary (either directly or via a third party such as an agency) the public authority is required to assess employment status and potentially account for income tax and NICs when making payment to these types of workers. Our review will therefore assess compliance with IR35</p>

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	legislation across the organisation.
Troubled Families Grant Certification	Certification of periodic grant claims returns in-year on behalf of Children's Services to enable the release of funds from the Ministry of Housing, Communities and Local Government (MHCLG).
Local Transport Capital Block Funding and Specific Grant Determination (Pot Hole Action Fund) – Annual Certification	To provide to the Department for Transport (DfT), the annual certification for the funding of various highways schemes received in 2019/20, including extra money obtained for winter repairs.
Local Transport Revenue Block Funding (Blue Badge) – Annual Certification	To provide to the DfT, a certification for the funding of the Blue Badge (New Criteria Implementation) grant received in 2019/20.
Bus Subsidy Grant Certification	To provide to the DfT, the annual certification for the funding of bus subsidy grant monies received in 2019/20.
Dedicated Schools Grant Certification	To contribute to the annual certification to the Education and Skills Funding Agency (ESFA) of the Dedicated Schools Grant.
Departmental ICT Systems	A review of one of the critical systems supported by IT&D operating at the Council, including an assessment of how support is provided, basic security, information assurance and risk management controls, change management and governance/visibility over decision making relating to the use of new or extended technologies.
End User and Senior Stakeholder Behaviour	To explore end-user and senior stakeholder behaviour in key areas of ICT governance e.g. perception of cyber risk, adherence to ICT guidance and policies provided and evidence of either good or bad practices, and to highlight areas where improvement actions are required.
Data Sharing Arrangements (with other Authorities and Health Partners)	The audit will review adequacy of the control environment in place to ensure resident and patient information shared between councils and health partners is done so securely and in accordance with the Data Protection Act. This audit will consider the adequacy of the control environment to support the formal, system to system integration and informal practitioner to practitioner ways of working.
IT&D Major Projects	This audit will review the effectiveness of the control environment to ensure the overall delivery of a major IT&D project meets the expectations and specification. The audit will consider specifically the controls in place to engage

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	with IT&D to ensure the system meets digital architecture design principles and to ensure cyber and information governance considerations are effectively understood and managed.
GCSX Replacement	The audit will seek to provide assurance over the effectiveness of the arrangements for replacing the Government Connect Secure Extranet (GCSX) to ensure that where personal and sensitive data is shared, it is done so securely.
Orbis ICT Cross Authority Working Arrangements	This audit will evaluate the effectiveness of the ICT arrangements in place for supporting the Orbis partnership, specifically concentrating on the arrangements to allow and remove access to partners and client networks and will seek to identify any local workarounds, and the risks associated with these.
Modernising Back Office Systems (MBOS) Programme	<p>Orbis IA will attend programme board and working group meetings to provide independent advice, support and challenge on risk, control, probity and governance issues.</p> <p>In addition to attendance at programme board and working group meetings, we will identify a number of key focus areas to support the programme. At this early stage this is likely to include providing assurance over the following key areas:</p> <ul style="list-style-type: none"> <li>• Programme governance/risk management</li> <li>• Business processes (both on and off system)</li> <li>• System security • User access, authentication and authorisations • Testing arrangements • Data cleansing and migration • Interfaces and reconciliation • Disaster recovery and business continuity • Training</li> </ul>
Contract Management – Home Care Contract Management Follow-Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.
Building Condition (Asset Management) Follow-Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.
Social Value in Procurement Follow-Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.
Buzz Active Follow-Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.
Atrium Follow-Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.

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Review Name	Outline Objective
Libraries Antiquarian Asset Management Follow-Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.

### Service Management and Delivery

Review Name	Outline Objective
Action Tracking	Ongoing action tracking and reporting of agreed, high risk

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<b>Review Name</b>	<b>Outline Objective</b>
	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.
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.
<b>Contingencies</b>	
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.
Emerging Risks	A contingency budget to allow work to be undertaken on new risks and issues identified by Orbis IA and/or referred by management during the year.
Contingency	A contingency budget to allow for effective management of the annual programme of work as the year progresses.