Revised Internal
Audit Annual Plan 2020-2021

East Sussex County Council

1.   Introduction

1.1   Unsurprisingly, like all Council services, the Coronavirus pandemic has had a significant impact on Internal Audit, including the way in which our staff work, the nature of the work we are able to carry out and the extent to which we are able to deliver our planned audit activities.

1.2   As explained in previous update reports to this committee, the decision was taken at the outset of the pandemic to effectively suspend all 2020/21 planned audit activities in order to avoid interfering with the organisation's response to the pandemic and also to enable us to refocus our efforts on providing advice and support to services over the control environment, especially where significant changes to working practices have been required. In addition to this, a number of staff from across Orbis Internal Audit were also redeployed to other front-line teams to assist with their own response to the pandemic.

1.3   Now that much of this work has been completed and most staff have returned from redeployment, it has been necessary to revise the original audit plan in order to reflect the new risk environment and the reduced period of coverage. The purpose of this report is therefore to present to management and the committee the revised plan for 2020/21, covering the period from September 2020 to March 2021. Full details of the revised Internal Audit plan are provided in Section 6 of this report.

2.   Process for Amending the Plan

2.1   The update to the plan has followed a similar (but reduced) process as that used to produce the original 2020/21 Internal Audit Plan, including management's assessment of risk and our own risk assessment of the Council's major systems and other auditable areas. It has involved consultation with a range of stakeholders, the re-review of risk registers and external guidance, comparison with other authorities' and our knowledge of the impact of Covid 19 on this organisation and the delivery of its services.

2.2   Despite the extent of changes that have been made to our audit coverage in 2020/21, it is anticipated that, taking into account the Covid 19 reactive work carried out in the first part of the year and delivery of the revised plan set out below, sufficient work will still have been completed to enable the Chief Internal Auditor to provide an overall annual internal audit opinion for the organisation covering 2020/21. Periodic update reports on progress and performance of the service will continue to be provided to management and the Audit Committee.

3.   Deletions from the Original Audit Plan

3.1   The table below details the proposed deferrals from this year's Internal Audit Plan, only three of which are key financial system audits (LAS/Controcc, Treasury Management and General Ledger). These will all be rescheduled for quarter 1 of 2021/22. The prioritisation of the other audits in this list will be considered as part of the audit planning process for 2021/22.

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Directorate	Audit Title
ASC	Delayed Transfers of Care
ASC	Home Care Commissioning
ASC	Public Health Budget
ASC	LAS/Controcc
ASC	Home Care Contract Management Follow-Up
BSD	Business Operations Performance
BSD	Treasury Management
BSD	General Ledger
BSD	Compliance with IR35
BSD	Orbis Integrated Budget Management Follow-Up
CSD	LAC Financial Modelling
CSD	Children's Centres
Corporate	Contract Management
Corporate	Project Management
Corporate	Budget Management
CET	Section 106 Agreements
ICT	Department ICT Systems
ICT	End User and Senior Stakeholder Behaviour
ICT	Data Sharing Arrangements (with Authorities and Health Partners)
ICT	IT&D Major Projects
ICT	GCSX Replacement
ICT	Orbis ICT Cross Authority Working Arrangements

4.   Additions to the Original Audit Plan

4.1   The following audits have been added to the revised Internal Audit Plan for 2020/21. These include a number of reviews that have a direct focus on the Covid 19 pressures faced by the Council, and/or the Council's response to managing the impact of the pandemic.

4.2   A narrative description of each of the audits is contained in section 6 of this report.

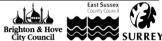| Directorate	Audit Title
BSD	Covid Procurement Risk
ICT	Information Governance (Remote Working)
ICT	IT Asset Management during Covid
ICT	Cyber Security during Covid
ASC	ASC Transformation
CSD	Care Assessments – Education, Health and Care Plans
Corporate	Covid System/Process Changes
Grants	Covid Test and Trace Service Support Grant
Grants	Covid Bus Subsidy Grant
Grants	Covid Home to School Transport Grant

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5. Counter Fraud

5.1   The Counter Fraud Team has continued to operate during the whole of 2020/21 and will continue throughout the remainder of the year, with contingencies in place to ensure the delivery of both an effective reactive and proactive counter fraud service.

5.2   In addition, Internal Audit will promote an anti-fraud and corruption culture within the Council to aid the prevention and detection of fraud. Through the work of the Counter Fraud Team, a fraud risk assessment is maintained, and a programme of proactive and reactive counter fraud services delivered to help ensure that the Council continues to protect its services from fraud loss. This includes leading on the National Fraud Initiative data matching exercise on behalf of the Council.

6. Revised Internal Audit Plan 2020/21

6.1   The table below details the full list of audits to be delivered as part of the revised 2020/21 Internal Audit Plan.

Review Name	Outline Objective
Corporate	
Covid System/Process Changes (New)	To revisit changes to processes and systems that were made in response to Covid-19 to ascertain whether these remain appropriate and, if so, are adequately controlled.
Covid Procurement Risk (New)	The Covid pandemic has meant a number of changes to the environment and working practices in relation to procurement. This has led to increased risks in a number of areas. We will liaise with management and the Procurement Team to define the exact nature of our work in this area.
Modernising Back Office Systems (MBOS)	Orbis IA will attend programme board and working group meetings to provide independent advice, support and challenge on risk, control, probity and governance issues. In addition to attendance at programme board and working group meetings, we will identify a number of key assurance focus areas to support the programme. This is likely to include providing assurance over the following key areas: • Programme governance/risk management • Business processes (both on and off system) • System security • User access, authentication and authorisations • Testing arrangements • Data cleansing and migration • Interfaces and reconciliation • Disaster recovery and business continuity • Training
Annual Governance Statement	To assess the extent that actions to improve governance, risk management and internal control arrangements, identified by departments within their Directorate Assurance Statements, have been implemented.

Review Name	Outline Objective
Adult Social Care (ASC)	
ASC Transformation (New)	The objective of the transformation programme is to develop and coordinate a coherent response to Covid-19 which has fundamentally changed the way Adult Social Care and Health operates. Where appropriate, we will support the programme through providing advice on risk and control issues, specifically in relation to individual projects within the programme.
Direct Payments	To examine the system of control associated with the administration, payment and monitoring of direct payments to adult social care clients.
Children's Service (CSD)	
Care Assessments – Education, Health and Care Plans (New)	Education, health and care plans (EHCPs) are designed to help children and young people with special educational needs and disabilities (SEND) and set out how services will work to meet their needs, to secure the best outcomes. We will assess the arrangements in place for ECHPs, including the assessment process and timeframes.
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.
LCS/Controcc (key financial system)	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).
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.
Buzz Active Follow Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.
Communities, Economy and Transport (CET)	
Health and Safety	This review, potentially utilising specialist external expertise, will cover the adequacy of arrangements for 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.

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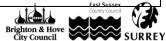| Review Name	Outline Objective
Highways Maintenance Contract Re-Procurement	To provide a watching brief over the arrangements for the re-procurement of a new highways maintenance contract, advising on risk, governance and internal control matters as they arise.
Libraries Asset Management Follow Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.
Contract Management Group Cultural Compliance Follow Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.
Business Services Department (BSD)	
Commissioning and Delivery of Property Projects	To review the commissioning, planning, approval and delivery of a sample of projects within the Property Division of Business Services, to provide assurance that controls are in place to ensure project objectives are met within the available resources.
Property Asset Management System (PAMS) 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.
HR/Payroll (key financial system)	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.
Procure to Pay (key financial system)	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.
Accounts Receivable (key financial system)	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.
East Sussex Pension Fund	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.
Business Operations Cultural Compliance Follow Up	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.
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.

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Review Name	Outline Objective
Atrium Follow Up	A follow-up of the audit completed in 2019/20 which received an audit opinion of partial assurance.
ICT and Information Governance Audits	
Information Governance (Remote Working) (New)	The audit will review the controls in place to ensure information governance arrangements are in place when working remotely. The audit will include review of the controls over printing, confidentiality of data, use of communication and 3rd party 'cloud' tools. We will also ensure there are sufficient arrangements to undertake the investigation and reporting of Data Breaches (remotely).
IT Asset Management during COVID (New)	To evaluate the effectiveness of the controls in place to support effective ICT asset management to support remote working arrangements.
Cyber Security during COVID (New)	To ensure the cyber security controls that are in place remain appropriate and continue to function as expected in this period.
Children's Safeguarding Data Handling	Social workers/safeguarding teams often use video to 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.
Grant Certification	
Local Transport Capital Block Funding and Specific Grant Determination (Pot Hole Action Fund) – Annual Certification	To check and certify the grant in accordance with the requirements of the Department for Transport.
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 check and certify the grant in accordance with the requirements of the Department for Transport.
Covid Bus Subsidy Grant Certification (New)	To check and certify the grant in accordance with the requirements of the Department for Transport.
Covid Home to School Transport Grant (New)	To check and certify the grant in accordance with the requirements of the Department for Education.
Covid Test and Trace Service Support Grant Certification (New)	To check and certify the grant in accordance with the requirements of the Department of Health and Social Care.
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).
Dedicated Schools Grant Certification	To contribute to the annual certification to the Education and Skills Funding Agency (ESFA) of the Dedicated Schools Grant.

Review Name	Outline Objective
Internal Audit Service Management and Delivery	
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.
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.