

INTERNAL AUDIT PLAN

2017-18



Council Priority:	Driving Economic Growth
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Review Name	Type	Outline Objective
Schools	Audit & Advice	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. In addition, we will continue to work with Children's Services colleagues to help improve the level of scrutiny and challenge provided by school governors, including the provision of more robust and focussed training. We will also work with our Orbis partners to provide bulletins and guidance for schools.
Academy Transition Arrangements	Audit	This review will consider the arrangements in place for managing the transition for schools becoming academies, having regard to the risks for both the schools themselves and the County Council.
Education Improvement Partnerships	Audit	Education Improvement Partnerships (EIPs) are groups of schools working together across an area to improve outcomes for all pupils. EIPs receive funding from the local authority and include primary and secondary schools, and, in some areas, post-16 colleges and early year providers. This audit will examine EIP governance arrangements, with a view to ensuring there is appropriate consultation on EIP objectives, effective financial planning for EIP funds, clear stakeholder reporting and robust controls over the authorisation of expenditure.
Community Infrastructure Levy	Audit	A review to ensure that the Community Infrastructure Levy application and bidding process is operating effectively to maximise the Council's ability to secure funding, including assurance that funds received are used appropriately.
Sustainable Drainage Systems (SuDS)	Audit	A review to assess compliance with the Council's statutory obligations (as Lead Local Flood Authority - LLFA) in relation to SuDS, where recent changes have made SuDS a material consideration when determining planning applications for major developments. Non-compliance exposes the Council to financial and reputational risks.

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Council Priority:	Keeping Vulnerable People Safe
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Review Name	Type	Outline Objective
School Registration Arrangements (to include Academies)	Audit	<p>The Education (Pupil Registration) (England) (Amendment) Regulations 2016 seek to provide a framework for schools to manage child protection risks, particularly in relation to the whereabouts and safety of children. The regulations also provide a framework to ensure schools and academies don't remove pupils from the roll as a means of manipulating their performance.</p> <p>This audit will look to provide assurance that schools and academies are complying with the Government's requirements in relation to pupil registration and are following these when removing pupils from the school roll.</p>
Unaccompanied Asylum Seeking Children	Audit	<p>An audit of the Council's arrangements for dealing with unaccompanied children seeking asylum, where we are responsible for all associated costs until the age of 25 (failed asylum seekers may also be supported if they have children or social care needs). This includes schooling, foster care or children's homes, through to university fees and housing costs. The review will look to ensure that the Council is complying with its responsibilities, is maximising grant contributions and that all expenditure is appropriate, valid and accurate.</p>
Troubled Families	Audit	<p>As a continuation of our work in this area, we will verify a proportion of result claims before they are made, including confirming families' eligibility for inclusion in the expanded programme and whether progress measures set out in the Troubled Families outcome plans have been achieved and evidenced.</p>
Care Leaver Payments & Grants	Audit	<p>The audit will review the process for administering grants and other payments to those leaving care.</p>
Home To School Transport	Audit	<p>A review of the Council's arrangements for providing home to school transport for pupils. It will cover eligibility, safeguarding, procurement, contract and budget management arrangements (including billing and payments).</p>

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Council Priority:	Helping People Help Themselves
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Review Name	Type	Outline Objective
East Sussex Better Together / Accountable Care Model	Advice & Audit	Continued audit advice, support and assurance in relation to ESBT (and Connecting 4 You) and the move towards an Accountable Care Model (and the pooling and alignment of a single budget and systems established to manage this). We will work with ASC and Finance colleagues to identify key areas of support to help provide assurance that a sufficiently robust framework of control exists in this complex area.
Social Care Non-Attendance and Deaths	Audit	A review of systems and controls in place to ensure payments are only made for valid social care clients who are actually receiving care.
Sexual Health Open Access	Audit	A review of controls in relation to open access, whereby ESCC residents seek and obtain sexual health treatment in other local authorities, and this is charged to ESCC. Whilst it is not possible to control how and when people access out-of-area services, it is important that the Council obtains appropriate assurance that services have actually been provided before any payments are made.
Ordinary Residence	Audit	A review of processes in place to manage the risks associated with other local authorities placing clients in receipt of social care services in East Sussex, and transferring to ESCC the commissioning, care management and funding responsibility for the individual as a result of a successful Ordinary Residence claim.
Financial Assessments	Audit	A review to understand and appraise the financial assessment process in relation to adults both entering and already in, ESCC care. This will include revisiting internal audit work previously undertaken in this area.

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Council Priority:
Making Best Use of Resources

Review Name	Type	Outline Objective
Adult Social Care Liquidlogic (LAS) & Controcc	Audit	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) & Controcc	Audit	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).
ICT – General Data Protection Regulations (GDPR)	Audit	A review to ascertain preparedness for the new General Data Protection Regulations, where there is a risk of non-conformance and ensuing financial penalties under the new regime. A gap analysis will be undertaken to assess how measures implemented by the Council align to the proposed GDPR.
ICT – Third Party Services	Audit	The Council is exposed to clear risks associated with parts of the organisation trading with third party IT providers without our own IT and Digital Department being aware, and therefore unable to implement adequate information governance and security controls. This review will therefore assess the adequacy of, and compliance with, Council policy in this area and, where non-compliance is identified, whether the associated risks have been properly considered and managed.
ICT – Prioritisation of Disaster Recovery / Service Restoration	Audit	A review of the arrangements in place over the prioritisation of disaster recovery / service restoration, to ensure that these are robust and there is appropriate alignment between the recovery expectations of service departments and ICT restoration / recovery capability.
SAP Application Controls	Audit	An audit to evaluate the adequacy and effectiveness of the key configuration settings and access restriction mechanisms to a variety of sensitive transactions in SAP.
Accounts Payable	Audit	A full key financial system audit. To review processes relating to the procure-to-pay process.

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Review Name	Type	Outline Objective
Procurement Cards	Audit	This audit will look to provide assurance that P-cards are only issued to appropriately authorised and trained staff and are being used only to purchase goods and services that are wholly, exclusively and necessary for the use of the Council, and for the best value attainable.
Payroll - Key Controls	Audit	This audit will review the key controls operating within the Payroll system, including those relating to starters, leavers, temporary and permanent payments and contractual changes.
Accounts Receivable – Key Controls	Audit	This audit will provide assurance over the key controls operating within the Accounts Receivable system, including those in place for ensuring the accuracy of customer details, accuracy of invoicing, recording and matching payments to invoices, and recovery.
Debt Management	Audit	This audit will involve a thorough review of the controls operating within Adult Social Care and Business Operations to manage debt within the Accounts Receivable system. Particular emphasis will be placed on the arrangements for the monitoring and recovery of deferred debt arising from social care service users.
Bankline (Banking Application)	Audit	A review of the controls operating over the Council's electronic banking application 'Bankline'. The system is used for making Chaps payments (same day automated payment system in the UK – primarily used for high value payments, including Treasury Management payments) and faster payments, as well as the day to day management of Council bank accounts.
Pensions Governance, Investments and External Control Assurance	Audit	A review to assess the adequacy of East Sussex Pension Fund management and governance arrangements. Also, to examine arrangements for obtaining assurance over the adequacy of the control environment of pension fund investment managers and the custodian.
Pension Fund Processes and Systems	Audit	To review the key controls over the calculation and payment of pensions, transfers to and from the pension fund and the collection and recording of pension contributions (incl. contributions from other admitted bodies).

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Review Name	Type	Outline Objective
Pension Fund Pooling – Governance Arrangements	Advice	To provide advice and guidance on the governance framework associated with the 'ACCESS Pool', in preparation for the pooling of ESCC pension fund assets from April 2018.
Budget Management	Audit	A review of the Council's budget management arrangements, to include both central controls and examination of a sample of individual service budgets.
Recruitment and Induction	Audit	This audit will review the arrangements for recruiting new staff, to include approval to recruit, advertising arrangements, shortlisting, pre-employment checks, training and induction.
Apprenticeship Levy	Audit	<p>The Apprenticeship Levy, introduced in April 2017, changes the way the government funds apprenticeships in England. As a result, the way the Council accesses funding and training for apprenticeships will also change.</p> <p>This audit will seek to provide assurance over the arrangements for calculating and accounting for the Apprenticeship Levy, the arrangements for ensuring the funds for apprenticeship training are spent in a timely manner and in accordance with the Department for Education's Apprenticeship Funding Policy.</p>
Personal Service Companies and Use of Consultants	Audit	<p>A review to provide assurance that the Council has controls in place to manage the key risks associated with the appointment of personal service companies and use of consultants, including non-compliance with the Code of Conduct, inadequate performance monitoring, the reputational risk associated with not following an appropriate appointment process and failing to protect intellectual property rights.</p> <p>We will also provide assurance that the Council has adequate controls in place to ensure compliance with the new IR35 legislation relating to 'self-employment' status.</p>

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Review Name	Type	Outline Objective
ORBIS - General	Advice and Audit	To work with management to support the development of new systems, processes and working practices within the partnership to help ensure that a sufficiently robust framework of control remains in place. This will include following-up previous audit reports to ensure agreed actions have been implemented.
ORBIS - Business Operations Roadmap	Advice	We will provide advice, support and challenge on risk and internal control matters associated with changes made within Business Operations, as identified within their 'Roadmap' document. The work will support the merging of processes within transactional teams (such as Payroll, Accounts Payable, Accounts Receivable and Pensions).
ORBIS - SAP Developments	Advice	To provide advice, support and challenge in relation to SAP development and improvement work.
ORBIS - Property Transformation	Advice	To provide advice, support and challenge on risk, governance and internal control matters in relation to property transformation and improvement initiatives.
ORBIS - Procurement Transformation	Advice	To provide advice and support into the procurement transformation programme, including the design of sourcing, purchasing and contract management systems.
Procurement and Contract Management (incl Financial Assessments)	Audit	As a continuation of previous audit work in this area, we will undertake a review of a sample of high risk and, where appropriate, joint contracts with Surrey County Council. The audit will also review the process for undertaking due diligence of contractors, including financial assessments, both pre and post contract award.
Lease Management – Property	Audit	A review to assess the adequacy of the control framework in place for the management of property leases (where the Council is either the landlord or the tenant) to ensure that the Council achieves maximum value from its property assets.
Highways Contract Management	Advice and Audit	Following the letting of the highways contract to Costain, we will undertake a contract management audit which will include a review of governance arrangements, performance management and payment mechanisms.

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Review Name	Type	Outline Objective
Waste Contract	Audit	Audit work in relation to the Waste PFI Contract following the recent external review by Defra. Potentially to include a review of the implementation of actions arising from this external review, contract compliance, governance and payment arrangements, and the measurement / accounting of waste volumes.
Staff Travel and Expenses	Audit	This audit will review the controls associated with all methods of staff travel and expenses, including (but not limited to) mileage claims, travel warrants, season tickets, workplace travel allowances, purchasing cards and petty cash.
Capital	Advice	To provide audit advice and support in relation to the review of current capital systems and processes, following the analysis work undertaken by AECOM. Note – Capital will be subject to a full internal audit review in 18/19.
Energy Management	Audit	A review of the Council's energy management arrangements and associated processes, including the payment of invoices and the management of income received in respect of green energy generation.