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**Southern Internal  
Audit Partnership**

Assurance through excellence  
and innovation

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**HAMPSHIRE COUNTY COUNCIL  
INTERNAL AUDIT PLAN 2022-23**

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**June 2022**

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## Introduction

The role of internal audit is that of an:

*'Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.*

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council's objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of Internal Audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant Directors and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership's continued contact and liaison with those responsible for the governance of the Council.

## Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Neil Pitman, Head of Southern Internal Audit Partnership, supported by Karen Shaw, Deputy Head of Partnership, Natalie Jerams, Deputy Head of Partnership and Iona Bond, Rebecca Turnbull, Liz Foster, Mark Norton and James Short, Audit Managers.

## Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2020 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

*'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'*

*'We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'*

## Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team which are required to be disclosed under internal auditing standards.

## Developing the internal audit plan 2022/23

We have used various sources of information and discussed priorities for internal audit with the following groups:

- Corporate Management Team
- Directorate Management Teams
- Other Key Stakeholders
- Audit Committee

In accordance with the Public Sector Internal Audit Standards there is a requirement that Internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals.

Based on these conversations with key stakeholders, review of key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed an annual audit plan for the coming year.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.



## Internal Audit Plan 2022-23

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
<b>Corporate Cross Cutting</b>				
Health and Safety	DCCBS	Review of new governance and processes to assess whether they are embedded and working well across departments to ensure compliance with Health and Safety Regulations.		Q4
Emergency Planning	DCCBS	To review the effectiveness of the emergency planning governance, strategy/policy and procedures and their application within departments following a project to review emergency planning.		Q3
Budget Monitoring - AHC	DCO DAHC	Assurance that new procedures have been rolled out and are working in practice to support effective budget monitoring.		Q4
Debt Management (include Adults) – Follow up(s)	DCO	Follow up of previous audit reviews to ensure that debt is correctly identified and that efficient and effective procedures are in place to pursue outstanding debt.		Q4
Use of agency workers	DHR,OD,C&E	A review of processes, governance and decision making. To consider off contract spend.		Q3
Compliance with DBS/NPPV checks	DHR,OD,C&E	To review the process and controls in place for managers to ensure DBS and NPPV checks are carried out and personnel records are updated.		Q3
Sickness Management	DHR,OD,C&E	To review the sickness management process and test compliance across all departments. To include return to work meetings, progressing through trigger points, referral to Occ Health etc.		Q4

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Workforce Planning	DHR,OD, C&E	Assurance that there is effective workforce planning to ensure the Council have the right people with the right skills in the right place at the right time	<b>450, 211, 440</b>	Q3
Departmental Cloud Applications Management	Corporate	Effective due diligence and management of cloud application services over the lifecycle of the contract to manage data and IT security risks.		Q2
<b>Governance</b>				
Strategic Financial Planning and Monitoring	DCO	To review the processes and controls in place to identify and monitor priorities and pressures and their implications for future financial sustainability to ensure the Council is able to deliver its objectives. This will include review of how the financial impacts of savings plans are being monitored and reported and the implementation of the CIPFA Financial Management Code.	<b>417, 283</b>	Q1/Q2
FDM – Supplier Create / Amend Process	DCO	That the updated end to end processes and enhanced controls are sufficient and operating effectively - (Advisory)		Q4
Teachers' Pension Income from External Payroll Providers	DCO	To provide advice / consultancy on the process of collating Teacher's pensions from maintained London Borough schools and payment to Teachers' pensions to ensure risks are effectively managed.		Q1/Q2
BACs process	DCO	Review of the BACs process to ensure controls are in place and operating effectively - (Advisory)		Q1/Q2
State Pension Age and National Insurance Category	DCO	To provide advice / consultancy on changes to automate the stopping of national insurance payments for employees of state pension age to ensure risks are assessed and managed.		Q1/Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Fraud (Proactive / Reactive)	DCE & DCR	Range of proactive and reactive initiatives to help identify and mitigate the risk of fraud. To include participation in the National Fraud Initiative.		Q1-Q4
Annual Governance Statement	L&G	To review the annual governance statement process to ensure it is effective and working well.		Q1
<b>IT</b>				
Ransomware Defence and Response	DCO	Assurance over compliance with government guidance.		Q3
Major Incident Management	DCO	Assurance over the effective management of priority one incidents across the IT department.		Q1
Contract Management	DCO	Reasonable assurance given in 2019/20. Lighter touch piece of audit work to look at changes to controls since that audit rather than a full scope audit.		Q1
SAP Platform Management	DCO	Assurance over the management of the SAP platform.		Q3
HPSN3	DCO	Assurance over the project and risk management controls in place.		Q1/2
O365 Platform Management	DCO	Assurance over the management of the O365 platform.		Q1
Vulnerability Management (Compliance)	DCO	Assurance over compliance with vulnerability management procedures across IT.		Q3
PCI DSS Assessment	DCR	2022 assessment of compliance against the PCI DSS.		Q1/2
<b>Corporate Objective - Hampshire safer and more secure for all</b>				
Safeguarding - Children	DCS	To review the ongoing internal and external assurances that the department receive for the safeguarding of children.		Q4
School Thematic(s)	DCS	Review a sample of schools and disseminate key risks / actions to all establishments. Themes to cover Payroll, Income Generation,		Q1-Q4



Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
		Procurement & Contract Standing Orders (incl. Related Party Transactions).		
Reactive - Schools/establishments	DCS	Full reviews of individual schools based on discussions with relevant stakeholders		Q1-4
SFVS	DCS	To review the SFVS responses received and sample check of answers / supporting prior to DfE deadline		Q1
Swanwick Lodge	DCS	To review the effectiveness of financial processes in place at Swanwick Lodge, including the usage of agency staff.		Q2
Direct Payments	DAHC	To review the effectiveness of processes in place for the provision of Direct Payments across older and younger adults.		Q4
Social Supervision	DAHC	To review the effectiveness of the processes in place for Social Supervision.		Q3
Training Attendance	DAHC	To review the processes in place to ensure staff are attending mandatory training, focusing on social work practice across younger and older adults.		Q1
CART/MASH Information Sharing	DAHC	To review the effectiveness of the processes in place for sharing information by CART and MASH.		Q2
Afghan Bridging Hotel Work	DAHC	To provide assurance that the Afghan bridging hotel work is being carried out in line with Home Office guidance.		Q1
Provider Failure	DAHC	To review the processes in place to protect against provider failure and its effects.	<b>351, 443</b>	Q2
<b>Corporate Objective - Maximising wellbeing</b>				
Foster Care Payments	DCS	End to end review of the new Foster Care Payments process		Q4

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Holiday activity fund	DCS	To review the effectiveness of processes in place to manage the DfE Holiday Activities and Food programme funding.		Q1
Special Educational Needs and Disabilities (SEND)	DCS	To review the effectiveness of processes in place for the commissioning and management of high cost SEND packages.		Q2
Education Other Than at School (EOTAS)	DCS	To review the effectiveness of processes in place for the commissioning and management of high cost EOTAS packages.		Q3
Education Psychology	DCS	To review processes in place for Education Psychology following on from the transformation work required in order to improve the budget position.		Q4
Ukraine Payments	DCS	To review processes in place for the placement and payment of respective tariffs.		Q3
Out of Area Placement Reviews	DAHC	To provide assurance over the review and monitoring of placements for clients placed outside of Hampshire including both Younger and Older Adults.		Q2
Service User Financial Processes	DAHC	To review processes from financial assessment through to the creation and charging of provision.		Q3
COVID-19 Grants	DAHC	To review the processes in place for the handling of central government COVID-19 related grants.		Q1
Continuing Health Care + Recharging	DAHC	To review the effectiveness of processes in place for the recharging of CHC costs.		Q4
HCC Care Charging	DAHC	To review the effectiveness of processes in place for the charging of HCC Care costs.		Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Carers Assessments	DAHC	To review the processes in place for the provision of Carers Assessments including assessment of planned respite.		Q1
AHC thematic review	DAHC	To review a sample of establishments and disseminate key risk and actions to all relevant parties. Theme to include the usage of minibuses.		Q2
Review of Care Director	DAHC	Critical friend review of new adult care system – Care Director		Q3
<b>Corporate Objective - Enhancing our quality of place</b>				
Asset Investment Strategy	DETE	Review of the governance / risk management / decision making arrangements in place regarding asset investment and maintenance. (This follows a BSI audit of the Asset Management Framework).	<b>280, 449</b>	Q3
County Highways Laboratory	DETE	Review of commissioning and commercial processes in relation to the testing of construction materials and workmanship for local authorities and private sector clients across the south.		Q2
Street Works (Permitting System)	DETE	Review of arrangements in place for booking road space to carry out street works for both internal and external clients and charging external bodies.		Q1
Road Adoption Process	DETE	Review of the arrangements in place for developers to hand over roads for adoption as part of the public highway.		Q1
Climate Change	DETE	To review the approach taken within ETE to meet the requirements of the climate change agenda and targets.	<b>287</b>	Q2
Developers Contributions	DETE	To review the arrangements in place for managing developer contributions.	<b>478</b>	Q1

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Flood Risk Coastal Defence Programme	DETE	Review of scheme governance arrangements and effectiveness of progress monitoring arrangements.		Q3
Equalities Impact Assessments	DETE	Review of the arrangements for producing assessments, particularly in relation to proposed transport schemes.		Q3
County Supplies Transport and Distribution	DCCBS	Review the effectiveness of the transport and distribution processes.		Q1
HTM H&S compliance	DCCBS	Review compliance with Health and Safety Policies and procedures.		Q2
County Supplies H&S compliance	DCCBS	Review compliance with Health and Safety Policies and procedures.		Q4
Business Planning and income generation	DCCBS	Service level and business unit review of business plans to ensure they align with the CCBS strategy and income generation is maximised.	307	Q3
Buildings Health and Safety	DCCBS	Review of service objectives in relation to the PPM activities, alignment with safety policies, monitoring, and performance expectations. Including clear definition of statutory obligations, documented procedures and effective data records.	389	Q1
Southern Construction Framework – Fair Payment Charter	DCCBS	Review of arrangements in place to ensure that sub-contractors are paid in line with the Fair Payments Charter.		Q4
Print and Post Services	DCCBS	Review data protection arrangements within print and post services processes to ensure they are robust and working well.		Q1
Tree management	DCCBS	Review the strategy and processes for the management of trees to ensure they effectively manage health and safety risks.	110	Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Registration Service Ceremony booking process	DCCBS	Review ceremony booking process and income generation to assess that it is working well and meets legislative requirements.		Q1
<b>Procurement and Contract Management</b>				
Highways Service contract	DETE	To review effectiveness of contract management arrangements to ensure that contractual obligations continue to be met.	<b>277, 278, 449</b>	Q4
HWRC Contract Management	DETE	To review the Household Waste Recycling Centre (HWRC) Contract management processes to ensure that robust measures are in place and contractual obligations are met.		Q4
Procurement of Younger Adults Supported Accommodation (YASA)	DCO	To review procurement processes and compliance with Regulations and agreed policies for the Younger Adults Supported Accommodation (YASA) tender.		Q1
Contract Management Training - advice	DCO	Advisory work to input into the development of e-learning during the year.		Q2
<b>Grants / Other –</b>				
Reading & Hampshire Property Partnership	DCCBS	Certify a sample of transactions and reconciliations for HCC / RBC.		Q1
Local Transport Plan–integrated transport plan	DETE	As per grant certification		Q2
Local Transport Plan–block maintenance	DETE	As per grant certification		Q2
Local Transport plan–incentive element	DETE	As per grant certification		Q2
Local Transport Plan–Pothole & Challenge Fund	DETE	As per grant certification		Q2
Local Bus Subsidy support grant (BSOG)	DETE	As per grant certification		Q2
COVID-19 Bus Services Recovery Grant	DETE	As per grant certification		Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
COVID-19 Bus Recovery Local Transport Funding	DETE	As per grant certification		Q3
Disabled Facilities Grant	DETE	As per grant certification		Q2
Community Renewal Fund	DETE	As per grant certification		Q2
Additional Dedicated Home to School Transport	DCS	As per grant certification		Q2
Project integra	DCCBS	As per grant certification		Q1
Growth hub funding to LEPS	DETE	As per grant certification		Q1
EM3 LEP Peer Network Funding	DETE	As per grant certification		Q2
Additional growth hub funding to local LEPS	DETE	As per grant certification		Q1
COVID 19 Test and Trace Service Support	DAHC	As per grant certification		Q2
Local Authority Test and Trace Contain Outbreak Management Fund (COMF)	DAHC	As per grant certification		Q1
Superfast Broadband Grant and project Closure	DCCBS	As per grant certification		Q1
Public Sector Decarbonisation Scheme Grant – Oil to Gas Conversion	DETE	As per grant certification		Q1
Public Sector Decarbonisation Scheme Grant – Solar PV	DETE	As per grant certification		Q1
Public Sector Decarbonisation Scheme Grant – Boiler Control Upgrades	DETE	As per grant certification		Q1
Supporting Families	DCS			Q1-4
Grant Contingency	-			Q1-4
Management				Q1-4

## Shared Services Internal Audit Plan 2022-23

Services provided under the shared service arrangements with Hampshire Constabulary, the Office of the Hampshire Police and Crime Commissioner and Hampshire & Isle of Wight Fire and Rescue Service are reviewed via a joint internal audit plan that provides assurance to all parties to avoid duplication. All three organisations contribute audit days to this plan which is reported below for information.

The Integrated Business Centre attains assurance under International Standards on Assurance Engagements (ISAE) 3402 through Service Organisation Control (SOC) Type 1 and Type 2 reports. SIAP will not duplicate assurances attained through provision of ISAE 3402.

Audit	Scope	Proposed Timing
<b>Governance &amp; IT</b>		
Reporting from Concerto to Partners	Review the information reported to Partners from Concerto to assess if information is accurate and managed securely.	Q3
<b>HR</b>		
Recruitment - contracts	There is a statutory requirement to get contracts out on time and accurately. Review to focus on the overarching process, content and production, dispatch, and query steps to ensure these are robust and efficient.	Q2
TUPE	A review of the end-to-end TUPE process and templates to ensure deadlines are met and processes are working efficiently and effectively.	Q3
Pay Review and Award Process	To review the process for pay awards through to implementation in payroll.	Q3
<b>Finance</b>		
Banking	To review the end-to-end process from receipt of bank statements, reconciliation and clearing of GL accounts.	Q2
Treasury Management	To review the treasury management process to ensure it is robust and changes to the Prudential Code have been reflected in the strategy.	Q4

Audit	Scope	Proposed Timing
Budget Planning	To review the budget planning process to ensure it is working effectively with appropriate liaison between budget holders and finance.	Q3
Other		
PCI DSS	Assessment of the IBC aspects of the PCI DSS for 22/23.	Q2
Contingency	To review any areas identified that fall outside the scope of ISAE3402.	Q1-Q4
Management		Q1-Q4