



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

HAMPSHIRE COUNTY COUNCIL

INTERNAL AUDIT PROGRESS REPORT NOVEMBER 2022

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November 2022

1. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

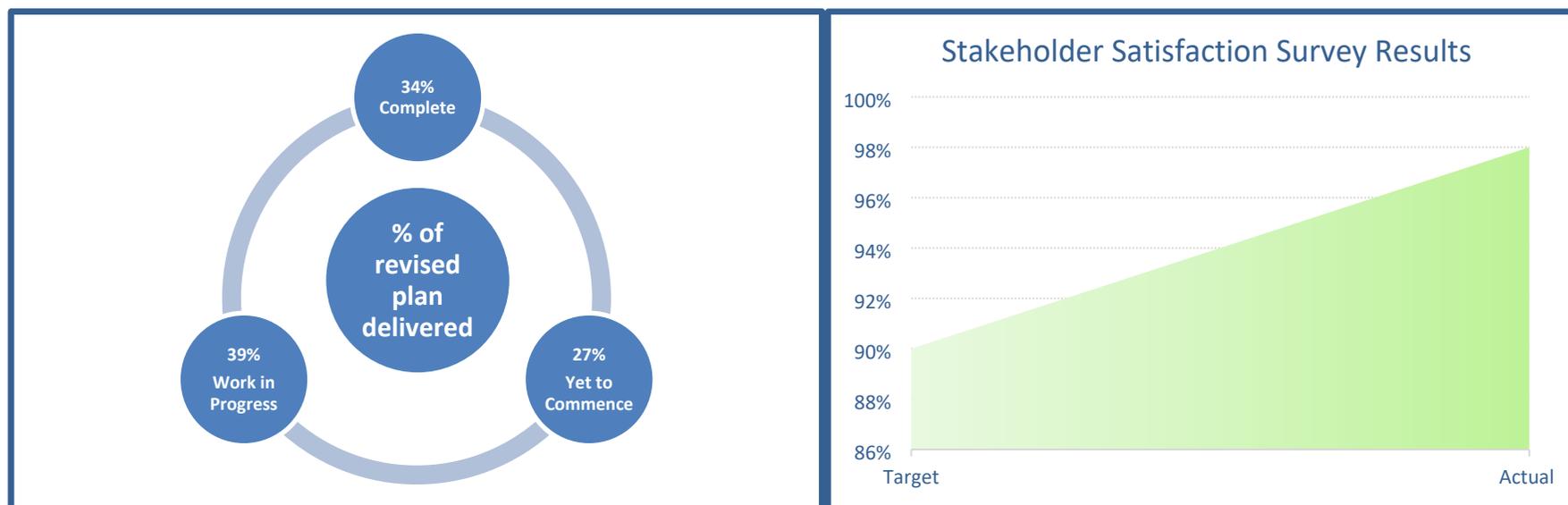
- The status of 'live' internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

** Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to adoption of the CIPFA standard definitions, reference is provided at Annex 1*

2. Performance dashboard



Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report 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.'

3. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Actions*	Not Yet Due	Complete	Overdue		
							L	M	H
Sold Services (Legal Services)	27.07.20	CR	Adequate	1(0)	0(0)	0(0)		1	
Local Bus Subsidy Support	22.09.20	ETE	Adequate	10(5)	0(0)	8(5)		2	
Marketing (CBBS)	24.09.21	CCBS	Reasonable	5(2)	0(0)	3(1)		1	1
Medicine Control within Reablement	15.11.21	AH&C	Limited	11(5)	0(0)	10(5)		1	
Use of Agency Staff Thematic	13.12.21	AH&C	Reasonable	11(7)	0(0)	10(6)			1
Travel Plans for Developers	09.02.22	ETE	Reasonable	10(1)	0(0)	6(0)		3	1
Governance of Debt Management	28.03.22	CE & CR	Limited	7(0)	3(0)	1(0)	3		
School Thematic Review – Minibuses	05.05.22	CS	Limited	9(0)	2(0)	7(0)			
Information Governance	12.05.22	CE	Reasonable	9(4)	1(0)	6(4)		2	
Transport Planning Service	18.05.22	ETE	Limited	17(0)	0(0)	15(0)	1	1	
Hampshire Music Service	20.05.22	CS	Reasonable	12(0)	0(0)	11(0)		1	
Major Construction Framework	07.06.22	CCBS	Reasonable	5(0)	1(0)	4(0)			
Risk management	13.06.22	CCBS	Reasonable	12(0)	1(0)	11(0)			
Governance of Trading Companies	20.06.22	CCBS	Reasonable	10(0)	0(0)	7(0)		3	
Records Management Centre	20.06.22	CCBS	Reasonable	4(2)	2(0)	2(2)			
Cleaning Contract Management	30.06.22	SS	No	11(3)	11(3)	0(0)			
Health and Safety	05.07.22	CCBS	Reasonable	10(0)	4(0)	6(0)			

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Actions*	Not Yet Due	Complete	Overdue		
							L	M	H
No Recourse to Public Funds	06.07.22	CS	Limited	14(11)	3(1)	7(6)			4
Whistleblowing (Case Management)	07.07.22	CR	Reasonable	4(0)	0(0)	2(0)	2		
Pre-employment Checks	14.07.22	SS	Reasonable	3(0)	1(0)	0(0)		2	
Coroners Services	28.07.22	CCBS	No	29(9)	15(2)	12(6)	1		1
Shared Lives	08.08.22	AH&C	Limited	8(5)	0(0)	6(3)			2
Continuing Care Recharge	09.08.22	CS	Reasonable	8(0)	3(0)	1(0)	1	3	
IT Asset Management	15.08.22	CO	Reasonable	3(1)	3(1)	0(0)			
IT Major Incident Management	18.08.22	CR	Substantial	3(1)	2(0)	1(1)			
Contingency Planning	26.09.22	AH&C	Limited	11(0)	5(0)	0(0)	2	4	
Afghan Bridging Hotel work	03.10.22	AH&C	Substantial	1(1)	1(1)	0(0)			
Street Works (Permitting System)	18.10.22	DETE	Substantial	2(0)	2(0)	0(0)			
School Thematic–Government Grants	20.10.22	CS	Limited	5(0)	5(0)	0(0)			
Registration Services- Booking System	20.10.22	CCBS	Limited	15(2)	8(2)	7(0)			
Annual Governance Statement	01.11.22	LG	Reasonable	4(0)	4(0)	0(0)			
Buildings Health & Safety	22.11.22	CCBS	Reasonable	17(8)	12(3)	5(5)			
Total							10	24	10

*Total number of actions (total number of high priority actions)

4. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been two new reports published concluding a “Limited” or “No” assurance opinion since our last report in September 2022.

Registration Services- Booking System		
Audit Sponsor	Assurance opinion	Management Actions
Director of CCBS		<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: green; color: white; padding: 5px; text-align: center;"> Low 5 </div> <div style="background-color: yellow; color: black; padding: 5px; text-align: center;"> Medium 10 </div> <div style="background-color: red; color: white; padding: 5px; text-align: center;"> High 2 </div> </div>

Summary of key observations:

The Hampshire Registration Service provides a facility for couples who wish to get married or enter into a civil partnership to book a registrar and venue at one of the nine registry offices in Hampshire.

Approved venue data was found not to match between the three systems currently in use, these being the roster database (utilised to book ceremonies); venue licensing database (utilised to track venue licenses) and mini manuals (regional prints of venues which administrators use to book ceremonies). A new booking system to replace the existing roster database is planned for implementation during 2022.

Fees quoted to customers are logged in the roster database and payment is taken via card machines which is automatically posted to SAP. The planned monthly reconciliation between the roster database and SAP had not been completed during 2022/23.

The Registration team should check payment has been received before a venue license is issued. However, our sample testing of eleven venues identified four where payment had not been verified.

The CERCO manual which contains the key processes/procedures for the registration team to follow has not been updated since May 2021 and is missing key procedural information (e.g., venue licensing).

Contingency Planning		
Audit Sponsor	Assurance opinion	Management Actions
Director of Adults, Health & Care	 Limited	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #008000; color: white; padding: 5px; text-align: center;">Low 4</div> <div style="background-color: #ffff00; color: black; padding: 5px; text-align: center;">Medium 7</div> <div style="background-color: #ff0000; color: white; padding: 5px; text-align: center;">High 0</div> </div>

Summary of key observations:

Contingency Plans are developed to ensure that appropriate arrangements are in place for clients continued care in an emergency. Contingency Planning is a key part of the social care process in ensuring clients continue to receive appropriate care in accordance with their needs and wishes. The Authority has a statutory duty to consider Contingency Plans under the Care Act (2014).

The directorates Social Care Practice Manual (SCPM) was found to detail the expectations relating to contingency planning and contained links to other relevant guidance. This manual was available to all staff on the intranet.

From our review of an AIS report covering the period between 1 January 2021 and 6 December 2021 we found a total of 30,578 clients. Of these, 22,262 (72.8%) did not have a contingency plan recorded within their care and support plan on AIS in line with the SCPM. However, review of a sample of individual AIS records who did not have a contingency plan in their care and support plan were later located elsewhere in AIS.

Further to this, detailed analysis provided from the Practice Excellence Manager as part of the QAF confirmed that contingency plans were inconsistently recorded in AIS. For 355 clients' records reviewed as part of the QAF, for the 12 months up until 19th April 2022, the following was reported:

- 116 clients had a contingency plan in both their assessment and support plan.
- 173 clients had a contingency plan in their assessment only.
- 66 clients there was no contingency plan in their support plan or assessment.

Review of 20 contingency plans recorded within client care and support plans and/or assessments found that the level of detail recorded varied and some sections, as defined within the Social Care Practice Manual, had not been completed.

5. Planning & Resourcing

The internal audit plan for 2022-23 was approved by the Council's Management Team and the Audit Committee in September 2022.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

6. Rolling Work Programme

Audit Review	Sponsor	Scoping	ToR	Field work	Draft Report	Final Report	Assurance Opinion	Comment
2021-22 Carry Forward								
Independent Non-Maintained Special Schools	CS	✓	✓	✓				
Contingency Planning	AHC	✓	✓	✓	✓	26.09.22	Limited	
Countryside Access Management System	CCBS	✓	✓	✓	✓	04.10.22	N/A	Position Statement
Landlord / tenant arrangements	CCBS	✓	✓	✓				
Minor works framework (Property)	CCBS	✓	✓	✓	✓			
School Thematic–Government Grants	CS	✓	✓	✓	✓	20.10.22	Limited	
Internal Audit Plan 2022-23								
Health and Safety	CCBS							Q4
Emergency Planning	CCBS	✓	✓					
Budget Monitoring - AHC	CO/AHC							Q4
Debt Management (incl. Adults)	CO							Q4
Use of agency workers	HR,OD,C&E	✓	✓					

Audit Review	Sponsor	Scoping	ToR	Field work	Draft Report	Final Report	Assurance Opinion	Comment
Compliance with DBS/NPPV checks	HR,OD,C&E	✓						
Sickness Management	HR,OD,C&E							Q4
Workforce Planning	HR,OD,C&E							Q4
Cloud Applications – Children’s Services	CS	✓	✓	✓	✓			
Cloud Applications– Adult Services	AHC	✓	✓	✓	✓			
Strategic Financial Planning & Monitoring	CO	✓	✓	✓	✓	17.11.22	Substantial	
FDM – Supplier Create / Amend Process	CO							Q4
Teachers’ Pension Income	CO	✓	✓	✓	✓	26.09.22	N/A	Position Statement
BACs process	CO	✓	✓	✓	✓	20.10.22	N/A	Position Statement
State Pension Age and NI Category	CO	✓	✓	✓	✓	16.11.22	N/A	Position Statement
Annual Governance Statement	L&G	✓	✓	✓	✓	01.11.22	Reasonable	
Ransomware Defence and Response	CO							Q4
Major Incident Management	CO	✓	✓	✓	✓	18.08.22	Substantial	
Contract Management	CO	✓	✓	✓	✓	25.11.22	Substantial	
SAP Platform Management	CO							Q4
HPSN3	CO	✓	✓	✓	✓			
O365 Platform Management	CO	✓	✓	✓	✓	10.11.22	Substantial	
Vulnerability Management (Compliance)	CO							Q4
PCI DSS Assessment	CO	N/A	N/A	N/A	N/A	N/A	N/A	

Audit Review	Sponsor	Scoping	ToR	Field work	Draft Report	Final Report	Assurance Opinion	Comment
Safeguarding - Children	CS							Q4
School Thematic - Payroll	CS	✓	✓	✓				
SFVS	CS	N/A	N/A	✓	N/A	✓	N/A	
Swanwick Lodge	CS	✓	✓	✓				
Direct Payments	AHC							Q4
Training Attendance	AHC	✓	✓	✓	✓			
CART/MASH Information Sharing	AHC	✓	✓	✓				
Afghan Bridging Hotel Work	AHC	✓	✓	✓	✓	03.10.22	Substantial	
Provider Failure	AHC	✓	✓	✓				
Foster Care Payments	CS							Q4
Holiday activity fund	CS	✓	✓	✓	✓			
Education Other Than at School	CS	✓						
Education Psychology	CS							Q4
Ukraine Payments	CS	✓						
Out of Area Placement Reviews	AHC	✓						
Service User Financial Processes	AHC	✓	✓					
COVID-19 Grants	AHC	✓	✓	✓	✓	12.09.22	Reasonable	
Continuing Health Care + Recharging	AHC							Q4
HCC Care Charging	AHC	✓	✓	✓				

Audit Review	Sponsor	Scoping	ToR	Field work	Draft Report	Final Report	Assurance Opinion	Comment
Carers Assessments	AHC	✓	✓	✓				
AHC thematic review – Minibus usage	AHC	✓						
Review of Care Director	AHC							Q4
Client Affairs	AHC							Q4
Asset Investment Strategy	ETE							Q4
County Highways Laboratory	ETE	✓						
Street Works (Permitting System)	ETE	✓	✓	✓	✓	18.10.22	Substantial	
Road Adoption Process	ETE	✓	✓	✓				
Climate Change	ETE	✓	✓					
Developers Contributions	ETE	✓	✓	✓				
Flood Risk Coastal Defence Programme	ETE							Q4
Equalities Impact Assessments	ETE	✓						
County Supplies Transport & Distribution	CCBS	✓	✓	✓	✓			
HTM H&S compliance	CCBS	✓	✓	✓				
County Supplies H&S compliance	CCBS							Q4
Buildings Health and Safety	CCBS	✓	✓	✓	✓	22.11.22	Reasonable	
SCF – Fair Payment Charter	CCBS							Q4
Print and Post Services	CCBS	✓	✓	✓	✓	22.11.22	N/A	Position Statement
Tree management	CCBS	✓	✓	✓				

Audit Review	Sponsor	Scoping	ToR	Field work	Draft Report	Final Report	Assurance Opinion	Comment
Registration Service-Ceremony Booking	CCBS	✓	✓	✓	✓	20.10.22	Limited	
Highways Service contract	ETE							Q4
HWRC Contract Management	ETE							Q4
Procurement of Younger Adults Supported Accommodation	CO	✓	✓	✓				
Contract Management Training - advice	CO							
Reading/Hampshire Property Partnership	CCBS	✓	✓	✓	✓	20.10.22	N/A	Accounts sign off
LTP-integrated transport	ETE	✓		✓	N/A	✓	N/A	
LTP-block maintenance	ETE	✓		✓	N/A	✓	N/A	
LTP-incentive element	ETE	✓		✓	N/A	✓	N/A	
LTP-Pothole & Challenge Fund	ETE	✓		✓	N/A	✓	N/A	
Local Bus Subsidy support grant (BSOG)	ETE	✓		✓	N/A	✓	N/A	
C-19 Bus Recovery Local Transport Fund	ETE	✓		✓				
Community Renewal Fund	ETE	✓		✓				
Additional Dedicated Home to School Transport	CS							
Growth hub funding to LEPS	ETE	✓		✓	N/A	✓	N/A	
EM3 LEP Peer Network Funding	ETE	✓		✓	N/A	✓	N/A	
Additional growth hub funding to LEPS	ETE	✓		✓	N/A	✓	N/A	
Contain Outbreak Management Fund	AHC	✓		✓	N/A	✓	N/A	
Superfast Broadband - Project Closure	CCBS	✓		✓	N/A	✓	N/A	

Audit Review	Sponsor	Scoping	ToR	Field work	Draft Report	Final Report	Assurance Opinion	Comment
DSG – Oil to Gas Conversion	ETE	✓		✓	N/A	✓	N/A	
DSG – Solar PV	ETE	✓		✓	N/A	✓	N/A	
DSG – Boiler Control Upgrades	ETE	✓		✓	N/A	✓	N/A	
Supporting Families	CS	✓		✓				
Shared Services - 2022-23								
Reporting from Concerto to Partners	CO	✓						
TUPE	CO	✓	✓					
Pay Review and Award Process	CO	✓	✓					
Banking	CO	✓	✓	✓				
Treasury Management	CO							Q4
Budget Planning	CO							Q4

7. Adjustments to the Internal Audit Plan

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the County Council. Below are the variations made to the original 2022-23 audit plan approved by the Audit Committee in September 2022.

Plan Variations	
Removed from the plan	Reason
Project Integra	Reliance placed on ISAE3402
Special Educational Needs and Disabilities	Key risks covered by other audits in the plan – Independent Non-Maintained Special Schools and Education Other Than At School.
Social Supervision	Postponed to 2023/24 to allow higher risk audit to be undertaken (Client Affairs).
Additions to the plan	Reason
Client Affairs	Request from AH&C due to emerging risks