

Internal Audit Plan

2018-19

Hampshire County Council



Southern Internal Audit Partnership

Assurance through excellence
and innovation

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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 organisations 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 County 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 County Council that these arrangements are in place and operating effectively.

The County 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 County 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 stakeholder(s), to ensure it continues to reflect the needs of the County 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 County 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 as Strategic Lead and Iona Bond, Amanda Chalmers, Laura English, Liz Foster, and Nat Jerams, Audit Managers.

Conformance with internal auditing standards

The Southern Internal Audit Partnership 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 2015 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.

An external assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2015. In considering all sources of evidence the external assessment team concluded:

*It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to **all** of the principles contained within the International Professional Practice Framework (IPPF); the Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).*

*There are **no instances** across these standards where we determined a standard below “generally conforms”, and 4 instances where the standard is assessed as “not applicable” due to the nature of SIAP’s remit.*

In accordance with PSIAS, on-going self-assessment confirms that the Southern Internal Audit Partnership continues to comply with all aspects of the IPPF, PSIAS and LGAN.

Conflicts of Interest

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

Council Risk

The County Council have a clear framework and approach to risk management. The strategic risks assessed by the County Council are a key focus of our planning for the year to ensure it meets the organisation’s assurance needs and contributes to the achievement of their objectives. We will monitor the strategic risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

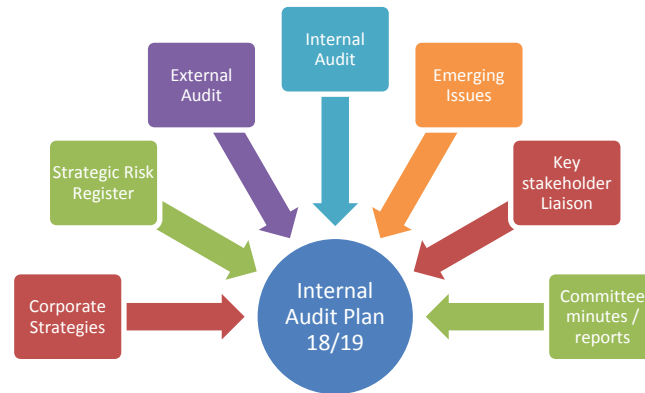
Developing the internal audit plan 2018/19

We have used various sources of information and discussed priorities for internal audit with members of all departmental management teams as well as their management groups and other key contacts as appropriate.

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

The County 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.



Shared Services

Services provided under the shared service arrangements with Hampshire Constabulary, the Office of the Hampshire Police and Crime Commissioner and Hampshire Fire and Rescue Service continue to be reviewed via a joint internal audit plan that provides assurance to all parties to avoid duplication of effort. All three organisations contribute audit days to this plan which is also reported below for information. An internal audit protocol for this work has been agreed with partner and shared services management

Hampshire County Council Internal Audit Plan 2018-19

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
Corporate Cross Cutting				
Traded services	DCCBS	HCC0006	H	Governance arrangements for traded services and the cost / pricing model for income generating initiatives
Transformation	DTG	HCC0006; AS0015; AS0012; CO020003	H	Progress over the governance and delivery of T2019 savings and initiatives.
Information management	DTG	ET0022; AS0011; PH0010; CC0008; CO020014	H	Data handling and Freedom of Information
Business Continuity/emergency planning	DTG	ET0027; AGS	H	Adequate arrangements are in place in respect of business continuity and emergency planning.
Health and Safety	DTG	AS0003	H	Review of new processes and follow up actions arising from the previous review.
Capital programme	DCE&DCR	ET0013	M	Management and effective delivery of a sample of capital projects.
Hantsdirect -service standards	DCE&DCR	-	M	Assurance over the achievement of service standards.
Information security	DCE&DCR	ET0022; AS0011; PH0010; CC0008; CO020014	H	Arrangements in place to ensure the confidentiality, integrity and availability of corporate information.
Local management of shared services processes	CE	-	H	Client side application of shared service activities which remain with HCC staff.

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
GDPR	DTG	ET0022; AS0011; PH0010; CC0008; CO020014	H	Review of GDPR compliance.
Prevent	DCS	HCC0002; CS0006; AS0008	M	Arrangements to ensure the Council's responsibilities under the Government's Prevent strategy are undertaken.
Corporate Governance				
Risk Management	DTG	AGS	H	To review the effectiveness of the corporate risk management strategy/policy
Reactive / Proactive Fraud	DCE&DCR	-	M	Delivery of Fraud Plan
Annual Governance Statement	DTG	Mandatory	Mandatory	Review & contribute to the Annual Governance Statement
Annual self assessment against internal audit Standards	DCE&DCR	Mandatory	Mandatory	In accordance with the requirements of the Public Sector Internal Audit Standards
HR time recording	DCE&DCR	-	M	Advice on time recording and monitoring arrangements within HR.
Information Technology				
SAP	DCE&DCR	HCC0009	H	Review of framework and capacity.
IT Asset management	DCE&DCR	HCC0009	M	Review of IT asset management arrangement (acquisition, recording, disposal).

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
IT operating systems	DCE&DCR	HCC0009	H	To review arrangements in place for patch management.
Wireless security	DCE&DCR	HCC0009	H	Review of wireless security following changes.
Assurance mapping	DCE&DCR	HCC0009	M	Annual summary of all the forms of assurance around IT.
Hosted Schools Services (HSS)	DCE&DCR	HCC0009	M	Review of the new model of services for schools.
IT Business continuity & disaster recovery	DCE&DCR	HCC0009	H	Review of the arrangements in place for IT business continuity and disaster recovery.
PCI compliance testing	DCE&DCR	HCC0009	H	PCI compliance testing to support the self assessment process.
Business applications	DCE&DCR	HCC0009	H	Application reviews of Swift/AIS, Confirm, and C4C, covering cloud and other applications.
ISO27001	DCE&DCR	HCC0009	H	Testing to support self-assessment.
Cloud	DCE&DCR	HCC0009	M	To review arrangements for governance of Cloud
Corporate Objective - Hampshire safer and more secure for all				
Safeguarding - Children	DCS	CS0003	H	To review the ongoing internal and external assurances that the department receive for the safeguarding of children.

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
School thematic review - part time timetables	DCS	CS0004	M	Review a sample of schools and disseminate key risks / actions to all establishments.
School thematic review - school website content	DCS	CS0004	M	As above
School thematic review - GDPR Compliance	DCS	CS0004	H	As above
School thematic reviews - TBC	DCS	CS0004	-	As above
Children's establishments - thematic – spend and budgetary control	DCS	-	M	Review a sample of schools and disseminate key risks / actions to all establishments.
Reactive - Schools/establishments	DCS	CS0004	H	Full reviews of individual schools based on discussions with relevant stakeholders.
School Financial Value Standards	DCE&DCR	-	Mandatory	To review the SFVS responses received and sample check of answers / supporting prior to DfE deadline.
Home to school transport	DCS		H	Follow up review of processes and controls over the provision of the Home to School Service ensuring the safe transit of eligible children.
Use of Agency Staff	DCS		H	High area of spend. Review to look at usage and rationale.
Early years	DCS		M	Review of census process and returns.

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
Corporate Objective - Maximising wellbeing				
AHC - Thematic Review Health and Safety	DAH&C	AS0003	H	To review a sample of establishments and disseminate key risk and actions to all relevant parties.
AHC - Thematic Review Medicine Control	DAH&C	AS0008	H	As above.
AHC - Thematic Review Clients property/monies	DAH&C	AS0008	M	As above.
AHC - Thematic Reviews FNC Assessments	DAH&C	-	M	As above.
Large scale investigations	DAH&C	AS0008	H	To review how investigations are handled and what reflection/learning takes place after them.
Public Health - Statutory Duties / Mandated Services	DAH&C	PH0006; PH0008; PH0009	H	Review of the statutory duties and mandated services for Public Health to ensure they are being fulfilled.
Integrated community equipment store and Technicians Service	DAH&C	-	M	To look at the new stock system, specifically regarding the cleaning of stock.
Care at Home	DAH&C	AS0020	H	To review and assess the rollout of Care at Home.
Multi Agency Safeguarding Hub (MASH)	DAH&C	AS0022	H	Ensure MASH is fulfilling its statutory role following service reorganisation service

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
Information Governance	DAH&C	AS0011; AGS	H	Review of Info Governance processes in place for the AHC department.
Advice/consultancy days	DAH&C	-	-	Critical friend/advice on key projects/transformation areas in consultation with DMT.
Case loads / waiting lists	DAH&C	AS0018	H	A review of caseloads, timescales and worklists. Efficiency & effectiveness of customer journey.
Approved Mental Health Professionals - Approval and Warranting Process	DAH&C	-	M	To review the approval and warranting process for AMPS
Mental Health - Management of Nearest Relative	DAH&C	-	M	Review of the process for "nearest relative" for Mental Health clients.
Mental Health Management of Guardianship	DAH&C	-	H	Review of compliance against policy.
County and Local Support Plan Oversight Groups	DAH&C	-	M	To review the County and Local Support Plan Oversight Groups processes following new changes implemented at the start of 18/19
Brokerage Team	DAH&C	AS0017; AS007; AS008	H	To review the progress with the improvement plan and the timeliness of arranging provisions.
Payments to providers	DAH&C	AS0020; AS0014	H	New payments process for providers.

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
Corporate Objective - Enhancing our quality of place				
Developer contributions	DETE	ET0002	H	Review of the developer's contributions collection process
Traffic management	DETE	-	M	Review of the governance arrangements for planning and managing Traffic Safety Management Schemes
Local Bus Subsidy Support	DETE	-	M	Review of de-commissioning of Local Bus Subsidy Support.
Regeneration	DETE	-	M	Follow up review of Daedalus Regeneration site, including monitoring of take-up and receipts due and collected.
M3 Enterprise LEP (Accountable Body Arrangements)	DETE	ET0008	M	Review of the Accountable Body Arrangements of the M3 Enterprise LEP.
Economic Development (Key Sites Portfolio)	DETE	-	M	Review of the project to refresh the key sites portfolio records
Business units - Hampshire Transport Management	DETE	-	M	Review of Hampshire Transport Management
Business units - County Supplies	DETE	-	M	Review of customer contract management processes within County Supplies.
Property management	DCCBS	CC0009; CC0012; CC0017	H	Review of property management arrangements for schools

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
Procurement and contract management				
Contract management thematic review - Corporate Resources	DCE&DCR	AGS	M	Effectiveness of contract management arrangements for a sample of contracts not covered by individual reviews.
Street lighting	DETE	-	H	To review the street lighting maintenance arrangements
Superfast Broadband programme.	DETE	-	H	Review of the management of the Superfast Broadband Programme
Intelligent Transport System	DETE	-	M	Review of contract management arrangements
Highways Service Contract	DETE	-	H	Review of contract management arrangements
Contract management thematic review - CCBS	DCCBS	AGS	M	Effectiveness of contract management arrangements for a sample of contracts not covered by individual reviews.
Term maintenance Contract	DETE	-	H	Review of Term Maintenance contract management arrangements
Minor Works Framework	DCCBS	-	H	Review of Minor Works Framework contract management arrangements
Hampshire Highways Service Contract (Finance)	DETE	ET0024	M	Review of end of year finance arrangements of HHSC
Contract Administration - Property Services	DCCBS	AGS	H	Review of contract administration processes within Property Services.

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
Grant/non-assurance work				
Reading Hampshire Property Partnership	DETE	-	M	-
HCC Local Transport Capital Block Funding (including pot hole funding)	DETE	Mandatory	Mandatory	As per grant certification
Disabled Facilities Grant - 18/19	DETE	Mandatory	Mandatory	As per grant certification
Bus Rapid Transit	DETE	Mandatory	Mandatory	As per grant certification
Safer Roads Fund (A27)	DETE	Mandatory	Mandatory	As per grant certification

Audit	Audit Sponsor	Strategic / Directorate Risk Reference	Audit Needs Assessment	Scope
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Total Days

2175

Chief Executive	CE
Deputy Chief Executive & Director of Resources	DCE&DCR
Director of Adults', Health & Care	DAH&C
Director of Transformation & Governance	DTG
Director of Children's Services	DCS
Director of Economy, Transport & Environment	DETE
Director of Culture, Communities & Business Services	DCCBS

Shared Services Internal Audit Plan 2018-19

Audit	Risk	Scope
Financial Systems		

Payroll

Order to cash (OTC)

Coverage to meet external audit / regulatory requirements

Purchase to pay (P2P)

Audit	Risk	Scope
Debt Collection Treasury Management		
Governance & IT		
Governance arrangements	Governance arrangements continue to evolve and will do so further with the pending introduction of new partners.	Review of changes / continued effectiveness since the last audit in 2015/16.
User Access Management	User access is not appropriately controlled enabling unauthorised access to data and potential issues with regard segregation of duties.	Review access permissions against roles and ensure effective management for starts / leavers.
HR		
Recruitment	Recruitment processes are not sufficiently robust and timely to meet needs of the recruiting organisation.	Emphasis on changes to recruitment processes scheduled in February / March 2018 designed to streamline the process for non safeguarding roles. To include internal recruitment.
Workforce Development	Uncoordinated and inefficient approach to development needs.	To review governance and controls around commissioning (emphasis on training).
Ill Health Retirement & Death in Service	Processes are not sufficiently robust to ensure accurate and timely processing.	To review the revised processes in place to manage ill health retirement and death in service.
Sick pay	Inaccurate and untimely submission and processing of	To review data input and data accuracy relating

Audit	Risk	Scope
	sickness data .	to sickness and reduction to half / zero pay.
IR35	Non compliance with recent legislative changes.	To review compliance with IR35 legislation.
Occupational Health	Untimely outcomes and lack of joined up approach between managers, HR & OH with a lack of focus on business outcomes.	To commission a clinical audit of the service to maintain patient confidentiality and expert input.
Procurement		
Category management	Ineffective approach and management of product / service categories	Review of procurement categories each year on rotation.
Procurement (General)	Non compliance with EU Regulations and Contract Procedure Rules.	To review procurement processes (£100k +).
Other		
Master Data Team	Ineffective change control	Robustness of controls and compliance for changes made by the master data team.
Contingency		On-boarding of new partners.
Management		Planning, liaison, reporting, action tracking, external audit liaison, advice

Audit	Risk	Scope
Total Days		370
