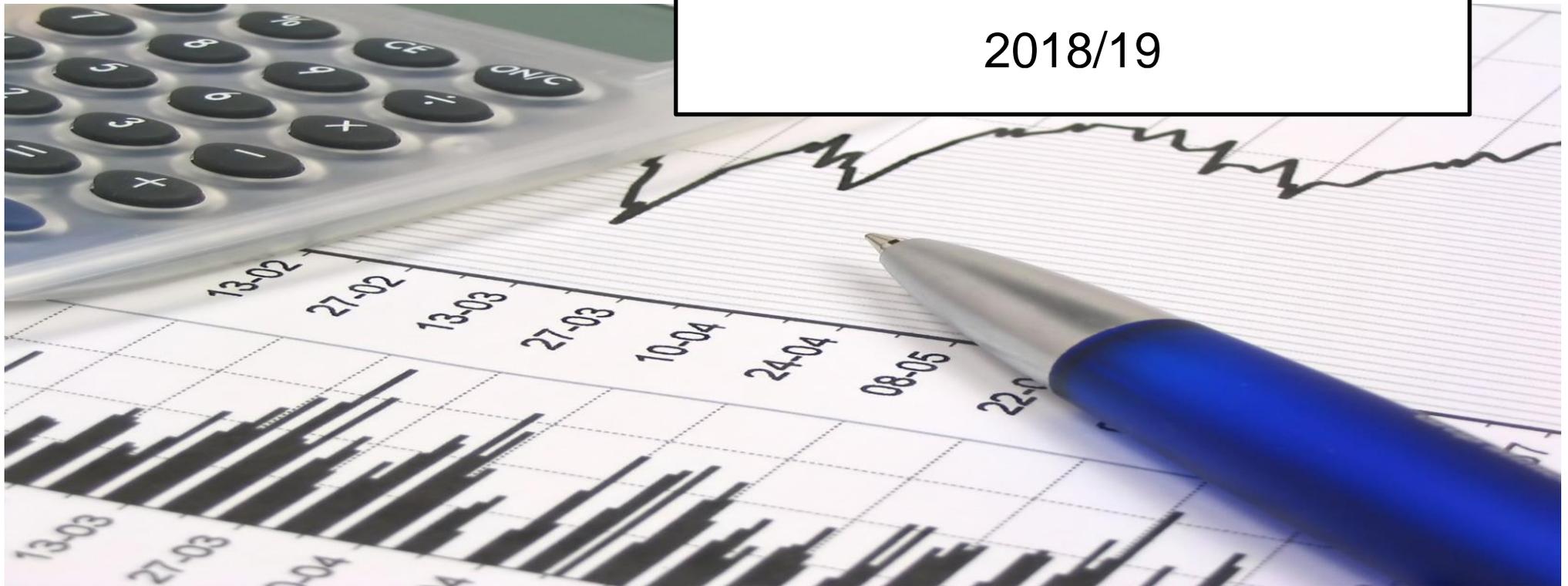


Internal Audit Strategy & Plan

2018/19





Deborah Harris
 Chief Internal Auditor (interim)
 01785 276402
deborah.harris@Staffordshire.gov.uk

Lynn Buxton
 Audit Manager
 01785 276407
lynn.buxton@Staffordshire.gov.uk

Sue Bluck
 Audit Manager
 01785 276406
susan.bluck@Staffordshire.gov.uk

Dave Fletcher
 Audit Manager – Counter Fraud
 01785 27895408
david.fletcher@Staffordshire.gov.uk

Alex Cannon
 Audit Manager – ICT
 01785 27895334
alex.cannon@staffordshire.gov.uk

CONTENTS

Page No

Introduction	3
Staffordshire County Council - Internal Audit Strategy	3
Draft Internal Audit Plan 2018/19	4
Counter Fraud Arrangements	5
Resources	5
Performance & Quality Assurance Framework	6
Service Plan Priorities/Challenges 2018/19	6
Appendices:	
Appendix A – Planning Risk Assessment Methodology	8
Appendix B – Draft Internal Audit Plan 18/19	9
Appendix C – Draft Counter Fraud Plan 18/19	24
Appendix D – Staffordshire Pension Fund Plan 18/19	27
Appendix E – Quality Assurance Programme	28

Introduction

1. This report summarises the proposed work of Internal Audit for 2018/19. This has been developed in line with the Internal Audit Charter. The aim is to give an overview of areas to be covered during the year and to provide an opportunity to comment on the proposed coverage.
2. The audit plan has been developed to allow sufficient flexibility to respond to change which will happen during the year. Whilst every effort is made to deliver the plan as shown there will always be the need to respond to emerging risks and changing circumstances. The plan is therefore a statement of intent – our liaison meetings with senior management will ensure that it is reviewed regularly.
3. Internal Audit is a statutory service required by the Accounts and Audit Regulations 2015. It is also a key source of independent assurance for management, designed to add value and improve how the Council operates. The results of our work feed into the Council's Annual Governance Statement.
4. The work is performed in conformance with the UK Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN). These require that the scope of Internal Audit covers the whole range of the Council's activities, seeking to provide an annual internal audit opinion on the governance, risk and internal control environment of the County Council, which has been established to:
 - Achieve strategic objectives.
 - Ensure effective and efficient operational systems and programmes.

- Safeguard assets and interests of all kinds.
- Ensure the reliability and integrity of financial and operational information.
- Ensure economic, efficient and effective use of resources.
- Ensure compliance with established policies, procedures, laws, regulations and contracts.

Our Internal Audit Strategy

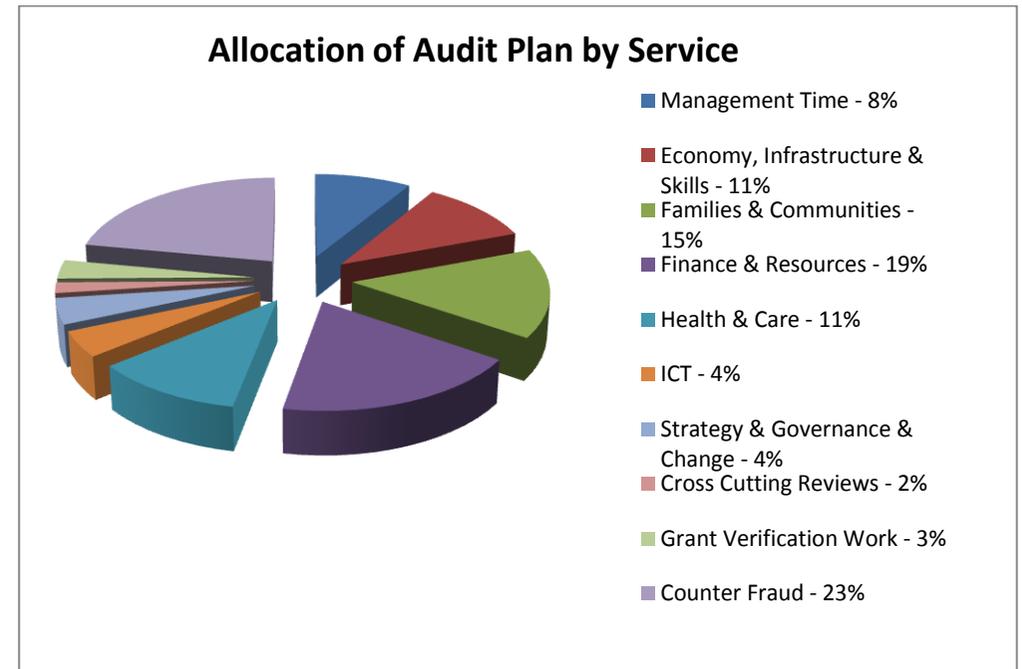
5. Our Internal Audit Strategy has been developed to take into account management's assessment of risk and key organisational objectives and priorities. This is obtained from the contents of the Corporate Risk Registers, listing of key critical services including IT systems, External Audit considerations, other internal assurance providers (i.e. Health & Safety and Information Governance Officers) and conversations with Senior Management to discuss potential changes/ areas of concern, including consideration of fraud risks within their area of control.
6. Also we use our own risk assessment against each activity assessing their materiality, sensitivity, significance and stability – ranking each area as high, medium or low risk. This allows each possible area to be prioritised based on risk, which then determines whether or not it will be included in the audit plan. A copy of the full risk assessment methodology is included in Appendix A.
7. The plan has been constructed to ensure that it delivers against the PSIAS and the requirement to produce an annual Head of Internal Audit opinion.
8. The annual risk based plan is produced based on the following key principles:

- Assurance reviews with a high risk (i.e. >60%) ranking should be completed subject to variation as agreed with the Director of Finance & Resources.
 - Identification of 'Top Ten Risk' Reviews.
 - Key Financial systems – reviewed on a cyclical basis.
 - A risk based Schools' audit strategy, approved by the Section 151 Officer, will be completed.
 - An initial allocation of 200 days to conduct Special Investigations.
 - An initial contingency allocation – variable year on year.
 - Time to undertake pro-active counter fraud work.
 - Risk based programme of compliance reviews.
9. We will work to co-ordinate our work on the key risk areas with the Council's External Auditors, Ernst & Young (EY) during 2018/19 through having a joint understanding which agrees where EY may consider the results of our work. This ensures that the Council gets the most out of its combined audit resource – keeping audit fees low.

Draft Internal Audit Plan 2018/19

10. We propose to allocate resources across each Service Area as shown in figure 1 with further details in Appendices B, C and D.
11. Top risks facing Councils continue to include pressures on finances and resources; changes in demand and demography and the impact of welfare reforms.

Figure 1 – Analysis of Audit Plan



12. The top risk audits/reviews for the County Council have been assessed as being the following areas:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Medium Term Financial Strategy – Delivery Plan 2. Digital Development Programme 3. Strategic Property Asset Management and Governance 4. Liberata Payroll System 5. Care Director (Adults & Children's Modules) 6. Adult & Children's Financial Services Review Programme | <ol style="list-style-type: none"> 7. Home & Community Care Contract 8. Cyber Assurance – Data Breach Incidents & Response Plans/Patch Management 9. General Data Protection Regulations (GDPR) 10. Children & Families System Transformation: Family Support Contracts |
|---|---|

13. The full report for these areas will be issued to Audit & Standards Committee Members once the report has been finalised.

Draft Counter Fraud Audit Plan 2018/19

14. We propose to allocate resources to our counter fraud work as per the details in Appendix C. This provides a robust response to Central Government’s expectations for tackling fraud and corruption. This demonstrates the Council’s continued commitment to ensuring good governance during a period of significant change to service delivery.

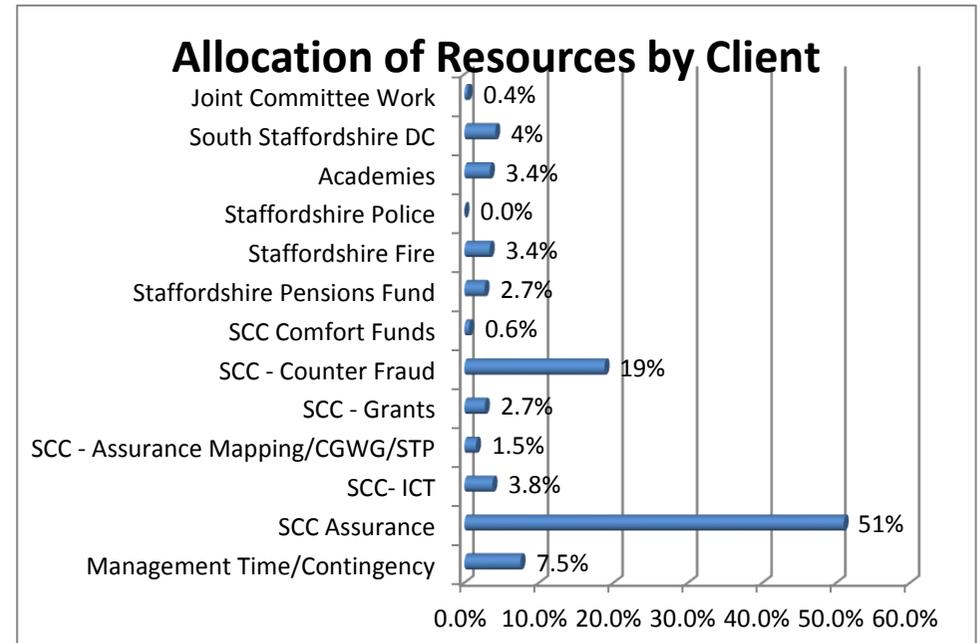
Resources

15. The total resource requirement for Staffordshire County Council in 2018/19 is 2065.5 days. This is comparable with the level of coverage delivered in 2017/18.
16. The Section also provides and receives income for the delivery of the internal audit service/management, for the following External Clients:
 - Staffordshire and Stoke on Trent Fire & Rescue;
 - South Staffordshire District Council;
 - Staffordshire Academies (via Entrust);
 - Staffordshire Pensions Fund; and
 - Comfort funds/Joint Committee Work.
17. The net income generated from this arrangement is £122,000 p.a.
18. The delivery model for the Internal Audit Service is mixed – a combination of in-house staff and external staff via a Framework

Contract. This allows the section to be flexible and respond to peaks and troughs in demand and to buy in specialist resources as required. Use of the external Internal Audit framework will continue in 2018/19.

19. There are sufficient resources available to deliver the audit plans as detailed in Appendices B, C and D. This helps to ensure that the Council meets the requirements of the Accounts and Audit Regulations 2015 for maintaining an adequate and effective internal audit function and governance, risk and internal control environment.

Figure 2 – Allocation of Resources by Client



Performance & Quality Assurance Framework

20. Internal Audit within Staffordshire County Council operates in conformance with standards of best practice applicable to internal audit – in particular the UK Public Sector Internal Audit Standards and the CIPFA Local Government Application Note. The Internal Audit team offer a wide depth of knowledge and experience gained across different organisations. We promote excellence and quality through our audit processes, application of the Quality Assurance Framework (Appendix E) and the training and development programme for staff.
21. The Quality Assurance Framework includes all aspects of the Internal Audit Activity – including governance, professional practice and communication.
22. The Internal Audit Charter sets out the role, responsibilities and authority of the Internal Audit Service within the County Council. This was initially approved in June 2014 and any amendments to its contents are endorsed by the Audit & Standards Committee annually.
23. Internal Audit remains sufficiently independent of the activities that it audits to enable auditors to perform their duties in such a way that allows them to make impartial and effective professional judgements and recommendations.
24. The Section use a number of ways to monitor performance, respond to feedback and identify ways in which to improve the service provided. Evidence of the quality of our audits is gained through feedback from auditees and the results of supervision and quality assurance undertaken as part of our audit process.

25. The current performance measures are set out below in Figure 3 for information

Figure 3 – Current Performance Measures

Performance Indicator	Target
Reports issued to draft report stage: <ul style="list-style-type: none"> • Assurance Reports • Compliance Reports 	90% 90%
Average score for Quality Questionnaires from clients is equal to or exceeds the good standard: <ul style="list-style-type: none"> • Assurance Reports • Compliance Reports 	90% 90%

Service Plan Priorities/Challenges 2018/19

- To assist in the development of the digital agenda to ensure that the control environment remains strong whilst exploiting the opportunities for more streamlined cost efficient operations.
- To exploit the use of IT and Computer Assisted Audit Techniques (CAATS) to expand the level of assurance provided to senior management across its operations in the most cost efficient and effective way. To include the development of continuous controls monitoring to give greater comfort over fraud risks faced by the Council.
- To develop and adopt the Service's preferred approach to assurance mapping to ensure that Internal Audit resources are utilised to their maximum to focus on the key risks faced by the Council.

- To raise the profile of the Counter Fraud Work Programme across the Council and to pursue the development of a pan Staffordshire Counter Fraud Team to become a centre of excellence for counter fraud in the Region.
- To ensure that the Service continues to enhance and develop its operations to maintain its status within the Council and with its external clients as a competent, professional and respected Service which conforms to the PSIAS and the LGAN. As part of this, consideration will be given to supplementing the knowledge of the in-house team via use of non-audit professionals/pool of associates.
- To pursue further partnership working with the Staffordshire Districts and evaluate alternative delivery models to ensure that internal audit resources are used across Staffordshire in the most cost effective way
- To fully embed the functionality of the Service's computerised Audit Management System and working paper solution including enhanced reporting and management information to senior management on their systems of control.

Appendix A – Planning Risk Assessment Methodology

1. **Materiality X 2**

- a) *Financial value (income/expenditure), materiality, size of budget*
Score between 1 (up to £100,000) 2 (up to £250,000) 3 (up to £1m) 4 (up to £5m) and 5 (above £5m)
- b) *No of transactions*
Score between 1 (a small number of transactions per year) and 5 (significant numbers of daily transactions)

2. **Impact/Sensitivity X2**

- a) *Links to Strategic Plan 2018-2022/Political sensitivity*
1=No links to Strategic Plan/ and/or no political sensitivity
2=No links to Strategic Plan / and/or minimal political sensitivity
3=Indirect links with Strategic Plan/ and/or low level of political sensitivity
4=Direct links with Strategic Plan/ and/or medium level of political sensitivity
5=Direct links with Strategic Plan/ and/or high level of political sensitivity
- b) *Non-financial impact e.g. reputation*
1= Managed /reported to Business Unit -Local Media (short term duration)
2= Managed /reported to Heads of Service. Local media (Medium/Long Term duration)
3= Managed /reported to Senior Leadership Team and Members Regional media (short term)
4= Managed /reported to Members and Cabinet Regional/National media (Medium/ Long Term duration)
5= Third Party intervention Public Interest Group, National/International media (Medium/Long Term duration)
- c) *Contained in the Corporate Risk Register*
1 = No
5 = Yes
- d) *Key Partnership* - This considers how important the partnership is to the achievement of the Council's Outcomes. Failure to deliver the objectives of the partnership poses a significant risk to the Organisation.
1 = No
5 = Yes

3. **Audit View - Previous Assurance Category**

- 1 = Substantial Assurance
2 = Adequate Assurance
3 = No Opinion has previously been given
4 = Consultancy – system under development
5 = Limited Assurance

4. **Time since previous audit**

- 1 =Audit carried out last year
2 =Audit carried out 2 years ago
3 =Audit carried out 3 years ago
4 =Audit carried out 4 years ago
5 =Audit carried out 5 years ago or more or where there has been no previous audit coverage

5. **Linkage to Risk Management - Controls Assurance**

- 1 = External Assessment reports available – positive assurance provided
2.= Internal Controls assurance statement available – positive assurance provided.
3.= Internal Controls assurance statement available – significant risks identified.
4.= External Assessment reports available – control weaknesses identified
5.= Nothing available

6. **Fraud**

- a) *Past experience or occurrence of fraud/irregularity*
Score between 1 (no knowledge/experience of fraudulent activity/irregularity) and 5 (repeated occurrence of fraud/irregularity or experience of fraud/irregularity with significant financial value)
- b) *Inherent risk of fraud within the system.*
Score between 1 (little known scope for intentional manipulation) and 5 (significant scope for intentional manipulation.)

7. **Stability of the System**

- 1.= Stable system, nothing has changed.
2.= Stable system, changes proposed in year/ short term
3.= New System in operation
4.= System under development – limited to a specific service area
5.= System under development – complex area affecting the whole of the County Council.

Appendix B – Draft Internal Audit Plan 2018/19

Area	No of Days	Indicative Scope
Families & Communities – Helen Riley		
Children & Families System Transformation: Family Support Contracts	15	The Children & Families System Transformation is aimed at reducing demand for services and improving outcomes for children and families. In order to do this, new models of operation have been implemented including the letting of family support contracts. The funding for these contracts comes from a variety of areas, early years, building resilient families and schools DSG. Internal Audit will review the governance surrounding the funding and how effectively it is being spent from a sample of the contracts.
Children & Families System Transformation: Early Years Offer - Children's Centres	12	The transformation of the Children's Centres has been a key part of the Children & Families System Transformation, with the reduction in numbers from 50 to 11. The service delivery covers three elements and management has requested a review of the early year's nursery provision and its funding. Scope to be determined.
SEND Transformation - Governance	15	Service is under review to redesign support for people with SEND to ensure they maximise their independence. As part of review, the Service will develop a governance structure to define roles, responsibilities and reporting structures. Management has requested that Internal Audit support and advise on the governance arrangements throughout the year as required.
Children's Services - Health Assessments	20	SCC volunteered to be a pilot for the new Ofsted Framework for the inspection of children's social care services and received a good rating. There were several areas for improvement one of which, related to timely initial health assessments for children coming into care. As a result, the Service has reviewed the processes and issued new guidance. Management would like Internal Audit to review the health assessments to ensure that they are following the new processes in a timely manner and if not the reasons for this. The sample will be taken from across all teams and will be for children coming into care for the first time after the processes have been implemented. Additionally, the review will cover the business support process as part of any initial health assessment.
Children's Services - Management Oversight of Case Files	20	Following on from the above, the pilot Ofsted Framework inspection of children's social care services also highlighted that improvements could be made to the management oversight of case files. The Service has requested that Internal Audit review this area to ensure that there is effective management oversight of case files with a sample of files being taken from across all teams.
Countryside Estate	5	A delivery model for the Countryside Estate has been developed that involves the use of the community to manage country parks. A business case will be developed during 2018/19 on the future management of the estate. Management has requested Internal Audit review the robustness of the business case.
Arts & Museums - Collections (inc Outreach and Exhibitions)	10	The Museum service is moving its collection from the Shugborough Estate during 2018, with a view to transitioning some of it elsewhere, either loan, storage or disposal. There is a significant value within the store (£4m+) and management would like Internal Audit to undertake a stores audit in 2018/19.
Children's Services - Administration Processes (Section 17)	20	Management has requested a review of the systems in place for the processing of payments by the administrative staff within Districts (sample to be taken across all teams).
Children's Services- Section 17 Budgets - Consistency of Application	15	Management has also requested a review of the section 17 budgets for consistency of application across the teams for; Through Care, Children's Disability and Court Planning. Review will take place across a sample of the teams.
High Schools Compliance Audit	30	Compliance with approved policies and procedures for key risk areas in accordance with Keeping Your Balance standards.
Primary/Middle/Special Schools Compliance Audit	50	Compliance with approved policies and procedures for key risk areas in accordance with Keeping Your Balance standards.

Area	No of Days	Indicative Scope
Themed Audits in Schools	50	Audit work will review the procedures operating in a sample of schools to ensure they are in accordance with Authority policy. There will be at least one theme per annum which could include the following areas; safer recruitment, community facilities, out of hours payments or payroll services.
Looked After Children - Business/Placement Unit : Contracts & Monitoring	15	Due to the number and size of the contracts within the Placement Unit and the need to ensure as part of Children's Transformation that commissioning has been undertaken effectively, management has requested further work in this area. Scope to be determined during the year.
Public Protection - Claims Management Regulation Unit	7	The Claims Management Regulation Unit handles and processes fees amounting to £ms each year on behalf of the Ministry of Justice and management has requested that this area is subject to internal audit scrutiny in year to provide assurance that the financial processes and controls are operating as expected for the receipt and banking of income and expenses (High level review).
Earned Autonomy	12	The Service has been successful in submitting a bid to the Department of Communities and Local Government for Earned Autonomy. Management has requested assurance over the effectiveness of District Boards in using delegated funding to respond to the needs of the family.
Schools General including Academies Conversion requirements and development/charging	15	Audit information required as part of the conversion to academies.
Total No of Days	311	
Economy, Infrastructure and Skills – Darryl Evers		
Infrastructure + Contract (Amey)	40	<p>To provide on-going assurance over the Infrastructure+ Contract awarded in March 2014 (£40m p.a.). Internal Audit assurance is required in the following areas during 2018/19:-</p> <ul style="list-style-type: none"> • an evaluation of the quality and management systems and assurance processes covering the operations of the I+ contract i.e. the Quality Management Systems; and Amey's sources of assurance (their own IA activity) (15 days); • To review the processes and controls in place when Amey Consulting and Amey Highways are project managing, supervising as well as delivering highways works (10 days); • Compliance with the Finance manual regarding cost allocations and income collection (are Amey identifying and collecting all income due to the Council) (10 days); and • Risk and Liability - Highways Insurance Claims - evaluate correct categorisation of liability regarding insurance claims (5 days)
Economic Regeneration Capital Schemes	15	<p>The County Council's capital budget included in the MTFs is £119.3million for 2018/19. Of this, economic regeneration projects have a capital budget of £24.7m for the period 2018/19.</p> <p>In 2018/19, Internal Audit will select a sample of economic capital schemes and give assurance over areas such as governance arrangements; procurement activities; monitoring and management of schemes as well as payment controls. (Redhill capital scheme and Keele IC6 should be included within the sample of schemes chosen for review).</p>

Area	No of Days	Indicative Scope
Keele Science Park - IC5 Keele University - Economic Regeneration Scheme	7	<p>On the 18th May 2011 the Cabinet approved a £6.8million loan to build a 30,000 square foot new office incubator (IC5) unit at the Keele University science and business park. In return for the loan, the University of Keele has granted the Council a 125 lease on the unit and the rental income will be used to repay the borrowings and then generate income for the Council. IC5 - Keele was completed and opened to businesses on 1st August 2016. The innovation centre is now fully occupied and Keele are managing the tenants on our behalf, and pass on any surplus rent income to SCC.</p> <p>In 2018/19, Internal Audit will review the management of this process and the rental income being received by SCC to ensure all monies due to the Council have been received in full.</p>
A50 Corridor projects	12	<p>The A50 Growth Corridor projects are part of a multi-million pound Government investment. Highways England manages the A50 trunk road. This project is being managed through separate and discrete projects by Highways England.</p> <p>Staffordshire County Council is delivering Project A: - Project A: Western Junction This was being carried out by Carillion and project managed by Amey on our behalf as part of the Infrastructure + strategic partnership. However, January 2018 saw the collapse of Carillion. In light of this development and the value of the project (Circa £42m), Internal Audit consider it prudent to keep this area under review and therefore will continue to evaluate the governance arrangements, payment for works and budgetary controls in places.</p>
Local Enterprise Partnership	15	<p>To keep under review the decision making and governance arrangements of the Local Enterprise Partnership in terms of setting a clear vision and operating under a clear governance framework, securing and accounting for funding, managing performance of regeneration schemes and achieving milestones and outcomes.</p> <p>In 2018/19, Internal audit activity will include a review of the SSLEP's Local Assurance Framework following the publication of the national single assurance framework by MHCLG in November 2016 and compliance with the framework.</p>
European Funding - European Structural & Investment Fund (ESIF)	12	<p>The SSLEP has been successful in bidding for £138m of European Funding to fund projects within Staffordshire and Stoke on Trent for the period 2014 to 2020. The EU programme is controlled by the SSLEP and in particular the ESIF committee.</p> <p>Currently, £101m of the £138m has been committed. MHCLG have set a target that £35m must be drawn down by December 2018 otherwise 6% of the £138m will be withdrawn (over £8m). It is therefore crucial that this area is managed over the coming months by the ESIF Committee.</p> <p>In 2018/19, Internal Audit has been requested to give assurance in this area as well as the governance arrangements for ESIF. The 4 SCC controlled projects will be reviewed in relation to this (LC BEP; Rural Enterprise Programme, Staffordshire Excellence and the Growth Hub scheme).</p>
Growing Places Fund	10	<p>Central Government has provided SCC with £10.720million to the SSLEP to operate a revolving fund to support growth. Monies are will be loaned to organisations and legal agreements are in place to secure their repayment. This area has not been audited previously and therefore management consider it prudent to undertake a systems audit review of the Growing Place Fund arrangements. Scope to include:-</p> <ul style="list-style-type: none"> • management and operation of the fund during 2018/19 including approval of bids for funding and due diligence undertaken; • Monitoring and reporting arrangements;

Area	No of Days	Indicative Scope
		<ul style="list-style-type: none"> • Repayment of loans.
Developers Contributions (S106s)	10	To provide assurance that there are sound systems, processes and controls in place relating to the calculation, recording, monitoring, payment and accounting for developers contributions (financial and non-financial) in relation to the community infrastructure (S106 agreements).
Household Waste Recycling Centres	12	The contract to operate and manage the County's HWRCs (11) was awarded to FCC in August 2013 for 11 years. The annual value of the contract is circa £3.6m p.a. In 2018/19, Internal Audit will provide assurance over the arrangements in place for managing and monitoring the household waste recycling centres contract.
Staffordshire Safer Roads Partnership	10	The operation of the strategic partnership between SCC/SoTCC, Police, Fire and Highways England has been subject to an internal review regarding its systems and processes which has also seen the implementation of a new governance structure underpinned by a collaboration agreement. In 2018/19, Internal Audit will review and evaluate the new partnership arrangements in place including the governance arrangements; financial processes and performance monitoring of outcomes.
Development Control - Planning Applications and Regulation (Minerals & Waste)	10	To review the key controls and processes relating to planning enforcement in respect of mineral and waste developments. Scope of work to include:- i) Policies and procedures governing planning enforcement; ii) Monitoring of authorised developments; iii) Programme for site visits and fee charging (20% increase can be re-invested); iv) Collection of income; and v) follow up previous audit recommendations.
Civil Parking Enforcement	10	New arrangements for the delivery of Civil Parking Enforcement in Staffordshire came into force on 1st April 2015. SCC has entered into a contract with Stoke on Trent City Council to provide civil parking enforcement throughout Staffordshire. The contract is for 5 years (2015 to 2020) at a cost of circa £1m per annum. Management has requested internal audit assurance during 2018/19 relating to the contract management and monitoring arrangements in place for the new supplier of the service including contractor payments and performance as well as controls in place to ensure that the Council receives all income due to it. Controls in place to mitigate the risk of fraud will also be considered.
Concessionary Fares Travel Scheme (English National Concessionary Travel Scheme & Your Staffordshire Card)	15	To keep under review the system/processes in place to administer the Concessionary fares schemes (young and elderly persons schemes - ENCTS and YSC including the administration and issue of bus passes. Budget is circa £7.8 million in 2018/19. This year's audit will also follow up those recommendations made as part of the 2015/16 systems review (covering both the ENCTS and YSC schemes).
Taxi Driver/Coach Operators/Passenger Assistants – Safeguarding	15	To review the safeguarding arrangements in place to check taxi/PCV contractors, taxi drivers, taxi passenger assistants and PSV contractors for suitability. The recommendations arising from the 2016/17 audit reviews on SEN transport and DBS/Safer recruiting (where applicable to this review) will also be followed up.

Area	No of Days	Indicative Scope
ENTRUST(SDA) - Careers, Information, Advice and Guidance	10	<p>As part of the Entrust Service Delivery Agreement (SDA), the service pays circa £1.8m to provide careers information, advice and guidance. Internal Audit has been requested in 2018/19 to undertake a contract monitoring audit review to confirm:-</p> <ul style="list-style-type: none"> • responsibility/accountability arrangements for performance monitoring; • arrangements for monitoring performance and costs against the SDA; • Delivery of services in accordance with the SDA; • Performance reporting and dispute resolution.
Network Management -Highway Permit Scheme	5	<p>The Council does not currently have a Highways Permit Scheme, although it is envisaged that the Council will develop a business case for one in 2018/19. Management have asked for support in reviewing the financial modelling for the proposed Highways Permit Scheme to be included in the business case as well as processes as they are designed.</p>
Skills & Employability: Adult & Community Learning - Commissioning and Monitoring of Provider Contracts	10	<p>In 2018/19, management has requested assurance relating to the operations of the Direct Delivery Unit who delivery community learning programmes. In particular, the audit review will focus on:-</p> <ul style="list-style-type: none"> • application and compliance with the fees policy; • fee Income collection - billing and recovery; and • verification of the delivery of certified/accredited programmes.
Total No of Days	218	
Finance & Resources – Andy Burns		
Medium Term Financial Strategy - Delivery Plan	15	<p>The MTFS for the 5 year period 2018 to 2023 requires additional savings of £132m.</p> <p>Although the Council has a proven track record of delivering significant cost reductions, the scale, complexity and pace of the changes still required increases the risk that not all cost reductions will be delivered. As a result, on going assurance in this area is required in 2018/19 in relation to the delivery of savings. Scope to be determined.</p>
Digital Development Programme	20	<p>The Council's digital development is aimed at driving the development of digital innovation across the organisation and wider smart Staffordshire network in support of the achievement of organisational outcomes and financial savings. There are 60 identified work programmes which support Digital Staffordshire.</p> <p>Time will be required in 2018/19 to review a sample of these work programmes looking at the project governance arrangements, monitoring, delivery and reporting of outcomes. Within the sample, some ICT digital projects will be reviewed (15 days). Time to support the project in terms of advice guidance is also included in the time allocation for this exercise (5 days).</p>
Liberata Payroll System	25	<p>In June 2017, the Council's payroll will be provided by Liberata (based at Worcestershire County Council), using the iTrent payroll system under a service contract.</p> <p>This area is classified as a key financial system review in 2018/19 as per our Cyclical Review timetable for Key Financial Systems and further assurance will be required in 2018/19 that processes and controls operated by Liberata are properly</p>

Area	No of Days	Indicative Scope
		embedded. The recommendations made in the 2017/18 payroll review will also be followed up.
Strategic Property Asset Management and Governance	25	Time will be required in 2018/19 to review the new property governance structure including the new framework for decision making (incorporating the operations of the Strategic Property Unit and the Penda Property partnership).
Capital Receipting Transformation	15	Over the next two years (commencing in 2017/18), the Council is aiming to generate £30 million from property disposals to support the MTFS. This requires the co-ordination of property assets across the Council. On-going assurance over (i) the governance arrangements including the decision making and disposal process as well as (ii) the monitoring and reporting arrangements will be required in 2018/19.
Adult & Children's Financial Services Transformation Review Programme	30	<p>To provide a quality assurance role to support the Adult & Children's Financial Services Transformation programme review throughout 2018/19.</p> <ul style="list-style-type: none"> • Attendance at the programme Group; • process evaluation; • Assurance role.
My Finance	30	<p>On 6th November 2018, the Integra Finance System went live.</p> <p>In 2018/19, the following on going audit support is required:-</p> <ul style="list-style-type: none"> • Attendance at Change Board (as required) • Parent Pay Interface Process; • Secure File Transfer development; • Integra Control Function (excluding HR as this is subject to a separate auditable area); • Payment Team Health Check - re access permissions/separation of duties; • Lessons Learnt exercise; • Follow up those recommendations arising from the systems audit work carried out in 2017/18 relating to P2P, S2C, Bank reconciliations.
My HR	10	Following the implementation of My HR after the decommission of SAP a full application security review was to be undertaken to assess the confidentiality, integrity and availability of data. However, due to difficulties in obtaining evidence from the hosting provider, the scope was reduced. As part of the 2018/19 ICT Audit plan, this audit will be a review of those areas that could not assess during 17/18 as well as a follow up on the recommendations made as part of the 2017/18 review.
Nominal Main Ledger (Main Accounting including bank reconciliations)	12	<p>The audit will examine key controls relating to the Council's main accounting system including bank reconciliations following the implementation of the new financial system Integra.</p> <p>This area is classified as a key financial system review in 2018/19 as per our Cyclical Review timetable for Key Financial Systems.</p>
Early Years Funding Payments	12	There is a statutory duty imposed on local authorities by the Childcare Act 2006 to ensure that parents can access up to 30 hours a week of free early education and childcare for their eligible two, three and four year old children. The Council pays

Area	No of Days	Indicative Scope
		<p>over 900 educational settings totalling £11m per annum. This area has not been subject to internal audit for a number of years and therefore management believe it is prudent to revisit this area seeing the value and volume of transactions being made.</p> <p>To review the processes and controls in place relating to Early Years Funding Payments (eligibility, payment controls, guidance, SCC claim process).</p>
Adult & Children's Financial Services Team - Direct Payments (Adults) - Pre Paid Scheme	12	In 2018/19, Internal Audit will review the processes and controls in place to administer and manage pre-paid card direct payments.
Cheque Control	10	Processes have changed with the replacement of SAP and the implementation of Integra and time will be required in 2018/19 to review the new arrangements in place for cheque control (cheque stocks, processing, and cheque issue and cheque security).
Commercial Services - Procurement	15	<p>Following the redesign of processes including the revision of the Council's Procurement Regulations; use of the new financial system, Integra, introduction of "no order no pay" and improvements to procurement training and procedural guidance management has requested on-going assurance in this area in 2018/19.</p> <p>Our work will continue to focus on compliance with procurement regulations including the use of exceptions; maintenance of contract documentation and the contract register; and adequacy of training and guidance. In addition, the audit will review the monitoring that the Commercial Team now undertake following the implementation of Integra. This audit review excludes school procurement (covered as part of school's audit programme).</p>
Purchasing Cards	15	<p>In 2017-18, more purchase cards have been issued with a push to use these as a flexible method of purchasing. With this in mind, transaction limits have been increased to £3k and the Council now uses cash only purchase cards at some establishments (replacing use of imprest accounts). It is therefore prudent to continue to keep this area under review in 2018/19 to ensure that the issue, administration and monitoring of purchase cards is controlled.</p> <p>The audit review will focus on both the central controls operating by the Payments Team including how leavers return purchase cards and the controls operated locally at a small sample of establishments. Establishments to include those using cash only purchase cards. The recommendations made in last year's audit will also be followed up.</p> <p>See also Continuous Controls Monitoring in this area under the Counter Fraud Plan for targeted audit work on high value/volume purchase card payment transactions in year and where approvers have missed the payment approval deadline.</p>
E- Payments	5	During 2018/19, call secure is being implemented to ensure compliance with the PCI DSS requirements for capturing payment card data. Time will be required in 2018/19 to review the Call Secure process and to assess how users (customer contact centre) are using it. Access to the E-Payments system remotely by Income staff will also be reviewed (in support of agile working).
Treasury Management & Lloyds Link (electronic payment system)	10	To keep under review the treasury management arrangements in place (covering short and long term investments and borrowings). Scope of IA's work will include

Area	No of Days	Indicative Scope
		<ul style="list-style-type: none"> • Investment and borrowing transactions and related policy. • Accounting, bank and local records. • Reporting of investment and debt positions. • Supervision and management structures and arrangements.
Core Payroll & Schools Payrolls - Retained Client & Control Function	15	In 2018/19, to continue to keep under review the arrangements operating within the HR/payroll retained control function (core and schools payrolls) to ensure that processes are operating as intended and are embedded.
Budgetary Control	30	<p>The audit will examine key controls relating to the Council's revenue budgetary control system of the County Council to allow budgets to be appropriately set, approved, monitored and reported upon following the implementation of the new financial system Integra.</p> <p>To select volatile areas of spend or where there has been past over spends such as Children's' Services.</p> <p>This area is classified as a key financial system review in 2018/19 as per our Cyclical Review timetable for Key Financial Systems.</p>
Value Added Tax (VAT)	10	<p>This area is affected by the new Integra financial System. Coupled with changes in personnel during 2017/18, Management consider it prudent to undertake an audit in this area.</p> <p>Scope of Work to include:-</p> <ul style="list-style-type: none"> • Adequate guidelines are available for officers processing VAT transactions; • There are appropriate controls in place to ensure that the information on the financial accounting system is accurate with regard to VAT; • There are adequate procedures in place to ensure that VAT returns are calculated and submitted in a timely manner; • There are appropriate procedures in place to ensure VAT returns are accurate; • There are adequate controls in place to ensure VAT exempt income is correctly accounted for; • There are appropriate procedures in place for the retention of all VAT returns and appropriate documentation.
Sales 2 Cash - Debt Recovery Function	10	<p>In 2018/19, Internal Audit will focus on debt management as past audit work has identified weaknesses in this area. The outstanding debt target (not exceeding more than £2.5m) is also significantly exceeded. Therefore further audit coverage will be required in 2018/19 to ensure that debt recovery and debt management in My Finance is operating as expected.</p> <p>Scope of work to include:-</p> <p>Arrangements for debt recovery (CCG/other Health bodies and Other debts); Arrangements for making instalments, Collection of debtor Income and allocation to accounts;</p>

Area	No of Days	Indicative Scope
		Write-offs; Monitoring and reporting arrangements.
ENTRUST(SDA) - Facilities Management (soft)	12	To undertake a contract monitoring audit of the facilities management services provided by Entrust for soft Facilities Managements services i.e. Grounds, Catering, Cleaning & Energy Management to ensure that contractual performance standards are effectively monitored, managed and reported upon and that payments are made in accordance with the contract terms and are for services received to the right standard. (Schools and non schools).
Business Continuity Management - Supply Chain Management	15	This area was subject to an internal audit review in 2017/18 and adequate assurance was given. This year's work will follow on from the 2017/18 cloud procurement audit and will review 3rd party suppliers where they are holding or accessing the Council's data and review the contract monitoring arrangements in place to ensure that our data is being held securely. This work will provide assurance over suppliers' cyber security arrangements and supports our cyber assurance suite of audit work in 2018/19.
Registrar Offices - COMPLIANCE	10	In 2018/19 to review 3 registrars offices and review the cash handling/receipting, financial administrative arrangements and budgetary control processes(new processes are in place) . (sample of Registrars: Cannock, Burton and Newcastle Under Lyme)
PFI Schools and Children's Homes	10	To review the arrangements in place for managing and monitoring the performance and operation of the Schools and Children's Homes PFI contracts. The Audit will review roles and responsibilities; contract performance monitoring and reporting arrangements as well as the payment process including contract variations.
Mileage & Subsistence expenses - Officers	8	To keep under review the arrangements in place to process and pay mileage and subsistence claims and follow up the 2017/18 audit recommendations. *See also Counter Fraud Plan 2018/19 for proactive sampling and continuous controls monitoring in this area.
Insurance	3	IA will continue to provide the fidelity guarantee renewal under writing information in relation to systems and controls.
Total No of Days	384	
Strategy, Governance & Change– John Tradewell		
Cyber Assurance - Data Breach Incidents and Response Plans	10	Taking into account the General Data Protection Regulations coming into force from May 2018 and the threat of cyber-attacks to the Council, this audit will evaluate how the Information Governance Unit respond and deal with data breaches that may occur to ensure that any response is effective and in line with best practice and legislation.
General Data Protection Regulations (GDPR)	22	The EU has approved new General Data Protection Regulations (GDPR) which will come into force in May 2018. The Information Governance Unit is overseeing a project to identify areas of potential non-compliance within directorates, particularly for contracts, to ensure that the Council as a whole is GDPR compliant. Internal Audit work will cover two areas:- <ul style="list-style-type: none"> project support on high risk areas (10 days) evaluation of the Council's preparedness for GDPR (12 days).
Data Sharing Agreements	10	As the council continues to commission more services which rely on data sharing agreements and as a data controller, this audit will seek to provide assurance to management that these agreements between the council and other bodies are

Area	No of Days	Indicative Scope
		suitable governed and managed. The adequate control and governance of data sharing agreements is vital to ensure the council fully complies with the data sharing code of practice and GDPR.
Recruitment - Core	12	This audit was undertaken in 2017/18, however, management would like the review to be repeated in 2018/19 as they would like ongoing assurance in this area until the new My HR system has fully embedded. The audit will review the end to end recruitment process across the Council. Scope of work to include use of the recruitment portal and interfaces with iTrent, where appropriate, pre recruitment checks; eligibility to work in the UK and compliance with the Council's recruitment and selection procedures.
NEXXUS - External Trading Company	10	The company is now trading under the health and care banner for reablement services. Time will be required in 2018/19 to provide assurance to the County Council that the governance arrangements are operating effectively. Scope to be determined.
Deputyships	15	In 2018/19, there are a number of changes taking place within Deputyships, which include change in team leader, use of automatic bank reconciliation and the return to an agency account instead of individual accounts. As a result of the changes management think that it would be prudent for Internal Audit to keep this area under review. Scope to be determined *See also proactive fraud and corruption work programme for targeted audit work on transactions made through Deputyship bank A/cs and Community bank A/cs.
County Fleet Care	12	This area has not been reviewed since 2013/14. Management therefore feel it would be prudent to gain assurance that it is operating satisfactorily. Internal Audit will review the following areas:- <ul style="list-style-type: none"> • arrangements in place to manage the financial processes including budgets, reconciliations, supervision and management checks, • acquisition and disposal of vehicles, • arrangements in place for charging, recording and banking of income from vehicle maintenance and vehicle disposal; • arrangements are in place for maintenance of stocks and stores • adequate controls are in place for fuel stocks, fuel issues and fuel cards.
Total No of Days	91	
Health & Care – Richard Harling		
Home and Community Care Contract	15	All Home Care contracts should be mobilised by the first week of April 2018. Later in the year, management has requested a contract monitoring audit to ensure the contract terms and conditions are being met. Internal audit will review the contract management arrangements in place by the service to ensure that contractual performance standards are monitored effectively, managed and reported upon and that payments to providers are made in accordance with the contract term
Care Director (Adults and Children's modules)	30	Following a request from management, Internal Audit will provide advice and assurance on the development of a self-assessment application to be developed by Care Works. This application will allow citizen's to enter their details, including financial information, which will be submitted to the Care Director application for a financial means assessment. This project is in its infancy and therefore how Internal Audit will provide assurance in this area is still to be finalised (ICT and

Area	No of Days	Indicative Scope
		General Audit Work may be required). Following discussions with the Care Systems Development lead it is envisaged that Internal Audit will be a member of the technical work stream. Internal Audit work will revolve around the security of the self-assessment application and the data submitted by users. Compliance with the Care Act will also be considered.
Residential and Nursing Care - Dynamic Purchasing System	15	New contract awarded. A dynamic purchasing system is used by the brokerage team to enable a more efficient operation for the award of residential care placements. Management would like assurance over the process to ensure that commissioning intentions have been achieved.
Adult Learning Disability Team (ALDT) (previously Independent Futures)	15	Currently the ALDT do not use the brokerage service to broker packages of care and the service are concerned that they are not obtaining value of money. Management would like Internal Audit to review this area to ensure that there are decision making processes in place to determine the most cost effective care packages both locally and centrally.
CM2000 Finance Manager	20	A project has been initiated to implement the CM2000 Finance Manager. Similarly to the Care Director Self-Assessment, this project is in its infancy and therefore how Internal Audit will interact and provide assurance on the application is yet to be determined. However, our work will look at the security and availability of the Finance Manager application as well as the security of the interface between the Finance Manager and Care Director. General Audit Work may also be required.
Mental Health S75 Agreement	15	A new Section 75 agreement for Mental Health comes into force from 1/4/18. New contract management and performance monitoring will be in place to ensure the contract terms and conditions are being met. Internal audit will review the contract management arrangements in place by the service to ensure that contractual performance standards are effectively monitored, managed and reported upon and that payments to the provider are made in accordance with the contract terms.
Brokerage	15	<p>Changes in the S75 agreement with SSOTP have led to the long term care budget being transferred back to the Council. A new centralised brokerage service has been set up to enable the Council to provide consistency of service across all client functions, as well as providing timely performance and financial information to underpin its operations. In 2017/18 Internal Audit reviewed the redesigned brokerage pathway and the performance management arrangements. In 2018/19 management has requested that we review the brokerage pathway as it reaches maturity to ensure the model is still fit for purpose.</p> <p>Scope for audits to be developed further with the commissioner but will cover pressures on brokerage team due to new areas to be included i.e. learning disability.</p> <p>*The DPS is part of brokerage however this area is subject to a separate audit review.</p>
Front Door Arrangements - Screening Assessments	12	As part of the Modernising Adult Social Care Customer Journey Programme an enhanced Front Door model will be embedded to allow all potential referrals to be screened to minimise referrals to the Community Teams. Management would like Internal Audit to review compliance with the care act and consistency of decision making for contacts and screening of assessments. See also work on Care Director in 2018/19.
Adult Social Work and Safeguarding: Safeguarding Adults	15	<p>There is a contractual alliance with other partners for the MASH.</p> <p>The service is undertaking a review to look at enquiries and thresholds and management would like Internal Audit to undertake some work around thresholds for low risk cases. The scope to be determine.</p>
Healthier Communities Programme	15	This programme covers a number of areas such as stop smoking, obesity, physical activity and health checks. The latter are a statutory function that is ongoing and based on payment by results. A new contract will be in place in 2018/19 and management would like assurance over:-

Area	No of Days	Indicative Scope
		<ul style="list-style-type: none"> • the impact on services of letting the new contract, • the effectiveness of the model re the performance framework, • clinical assurance - how are we assuring that decisions made are secure re the contract process.
Appointeeships	18	<p>The administration of appointeeships will transfer from Staffordshire and Stoke on Trent Partnership Trust back to the County Council from 1/4/2018. A Steering Group was set up to consider the options available for the administration of appointeeships and Internal Audit sat on the group for the transfer phase.</p> <p>The second phase will be improved working for appointeeships to which Internal Audit will provide support (8 days).</p> <p>Additionally the District Agency Accounts, through which the appointeeships operate, will be audited against the Standard Operating Procedure. This will be across a sample of Districts. (10 days)</p>
Quality Assurance	15	<p>Providers are quality assured under a regulated regime through the Care Quality Commission (CQC). Resources are targeted at those providers requiring improvement and those not seen by the CQC. There is a new suite of indicators for the framework for organisations. The quality assurance framework will be reviewed and scope will include:-</p> <ul style="list-style-type: none"> • the quality and performance management framework is clearly defined, • systems are in place for data capture, monitoring and reporting, • quality of data information submitted by providers against key indicators is assessed, • remedial action plans have been devised and put in place for areas of weaknesses identified and these are followed up.
Better Care Fund - Pass through money	10	<p>The County Council has received pass through money (previously known as S256) circa £ 16.5 million in 2017/18. This funding has been split with both the SSOTP and SCC undertaking schemes that meet the eligibility criteria. The CCGs require assurance from the Council that the funding has been spent in accordance with the relevant terms and conditions.</p>
Prison and Approved Premises Teams	10	<p>Under the Care Act 2014, prisoners are entitled to a care assessment of their needs by the Local Authority and appropriate actions undertaken to ensure the provision of required support, either via changes to their environment, such as provision of equipment, or, where appropriate the provision of external domiciliary care support.</p> <p>The Local Authority is also required to ensure that arrangements are in place to maintain an individual's care subsequent to transfer to another establishment. The service has a defined referral and assessment process for prisoners and would like internal audit to undertake a review of this process in 2018/19 as it has not been reviewed previously.</p>
Approved Mental Health Practitioners (AMHPs)	10	<p>The Authority has a statutory responsibility under the Mental Health Act in relation to the requirements for Approved Mental Health Professionals. This area has not been reviewed by Internal Audit for more than five years and management would like some assurance that it is operating effectively for; the approval and re-approval of individuals, training and supervision, record keeping and monitoring and supervision.</p>
Total No of Days	230	

Area	No of Days	Indicative Scope
ICT – Andy Burns		
Cyber Assurance - Patch Management	12	Following several high profile cyber-attacks during 17/18 which took advantage of unpatched devices, this audit will aim to provide assurance that a robust patch management procedure is in place to prevent the exploitation of known vulnerabilities in software and operating systems.
IT Disaster Recovery	12	<p>The review will consider the following key areas:</p> <ul style="list-style-type: none"> • Responsibilities for the management and operation of IT disaster recovery arrangements are well defined. • An effective assessment has been carried out to identify the business and IT systems critical to the organisation. • Preventative measures are in place to reduce the risk and impact of an IT disaster. • Procedures allow the recovery from a partial or total loss of computing and business services in a controlled manner. • There is a robust testing regime in place.
Data Centre Environmental and Physical Security controls	10	<p>The County Council's Strategy requires the evacuation of the Kingston Centre which is home to the Council secondary data centre. In January 2017 a decision was taken to nominate Staffordshire and Shropshire Health Informatics Service as the preferred partner to host out secondary data centre in Trentham. The move is scheduled for September 2018. Considering the security importance of both the primary and secondary data centres, it is felt that given the relocation of the secondary Data Centre, 2018/19 would be an ideal time to conduct an environmental and physical security audit of both data centres.</p> <p>This audit will provide assurances to management that both data centres have suitable controls in place to protect council data and services running from these centres in compliance with relevant standards</p>
Corporate Backup Management	15	Following the implementation of a new backup management solution which is due to be in place from July, this audit will seek to provide assurance that suitable backup procedures have been documented, approved and are followed to ensure that all business critically systems are suitably backed up to assist in business continuity procedures.
Identity and Access Management	12	This review will look at the starters, movers and leavers procedures in place to ensure that they suitably protect Council data from unauthorised access. Specifically this audit will focus on council movers to ensure users access to data and systems is suitably amended following a change in job position.
Office 365 Project	20	<p>A significant project is currently underway which aims to rollout Office 365 across the council. Not only is this a large technical change with numerous data and general IT security implications to consider, it will also change the way the council uses Microsoft Office. Management has requested that audit sit on the projects project board to provide advice on data and IT security matters when required, including Protective Marking and Records Management & Retention.</p> <p>The ICT Audit Manager will also take part in the proof of concept of Office 365.</p>
Kingston Data Centre Move	10	The ICT Audit Manager will continue to be a member of the Kingston Data Centre Move Project Board to provide independent assurance on project governance as well as providing advice where needed. This audit will supplement the Data Centre Environmental and Physical Security audit also planned for 2018/19.
Total No of Days	91	

Area	No of Days	Indicative Scope
Grant Verification Work		
Superfast Broadband for Staffordshire Project - Grant Verification	5	<p>The superfast broadband for Staffordshire programme costs circa £20m (phase 1) and £2m (phase 2). This area has been subject to review by BDUK and positive assurance has been received. However, there is a requirement for the end of year monitoring report to be verified and signed off by the Chief Internal Auditor. This is required to be carried out by Mid-March 2019 and therefore time is required in the audit plan to undertake this work.</p> <p>In respect of the governance arrangements for the programme, assurance will be taken from the positive assurance statement provided by BDUK.</p>
Local Transport Capital Funding (Integrated Transport and Highway Maintenance, Pothole, National productivity Investment Fund & Flood resilience Fund)	17	<p>£28.280m has been received by SCC in 2017/18 to provide support in financing the capital costs of integrated transport measures and capital highway maintenance schemes.</p> <p>Internal Audit verification of grant expenditure is required in order to comply with the conditions of the funding (due September 2018). As part of this sum £1,716m has been received relating to the Highways Maintenance incentive element, £1.582m has been received relating to the Pot Hole Action Fund and £3.711m has been received relating to the National Productivity Investment Fund. An additional £2.203m for the Flood Resilience Fund has also been recently received.</p>
Highways Maintenance Challenge Fund	6	<p>In 2017/18, the Council was successful in bidding for challenge funding for the Burton on Trent River Crossings scheme. £2.5m has been received. Internal Audit verification of grant expenditure is required in order to comply with the conditions of the funding (due September 2018).</p>
Local Growth Deal Fund - Grant Verification	15	<p>The purpose of the Local Growth Fund is to provide funds to local enterprise partnerships for projects that benefit the local area and economy. As at December 2017, of the £98.275million received for the period 2015/16 to 2020/21, £57.882million has so far been spent. There are a number of capital schemes that benefit from the LGF. As part of the grant conditions, a declaration is required to be submitted and certified by the Chief Executive having first received assurance from the Chief Internal Auditor for the Authority that the conditions attached to the funding have been complied with.</p> <p>A grant verification exercise will be required to be completed by 29th July 2018</p>
Earned Autonomy	8	<p>The Service has been successful in submitting a bid to the Department of Communities and Local Government for (now MCHLG) Earned Autonomy and there will be need to verify and quality assure the grant submission including whether the service are meeting its performance targets as included in the submission.</p>
Growth Hub Grant	5	<p>The Department for Business, Innovation & Skills (BIS) has awarded Staffordshire County Council new growth hub monies of £205k p.a. for 2017/18, 2018/19 and 2019/20 to support the growth hub investment programme. Internal Audit is required as part of the grant conditions to verify grant spend for the year and therefore time will be required to verify the 2017/18 grant (timescale May 2018).</p>
Department for Transport - Bus Subsidy Grant	10	<p>The Department For Transport has awarded SCC £700k in 2017/18 in relation to Bus Transport Services. Within the grant conditions, there is a requirement for Internal Audit to provide assurance over grant expenditure and confirmation that grant conditions have been complied with. This is required to be submitted to the DfT by September 2018. Time is therefore required in the audit plan to undertake this grant verification exercise n.b. In 2017/18, the grant continued to be ring fenced.</p>
Total No of Days	66	

Area	No of Days	Indicative Scope
Cross Cutting Reviews		
Delivering Good Governance - Corporate Governance Working Group	15	CIFPA in 2016 published its work on delivering good governance in Local Government: Framework (2016 edition). It is important that the Council ensures that it is aware of the contents of this publication and where appropriate, makes improvements as appropriate. In respect of this, the CIA's attendance at the Corporate Governance Working Group ensures that the Council's governance framework is kept under review. The CGWG covers areas such as Scheme of Delegation/ Gifts & Hospitality/AGS/Financial Regulations/Procurement Regulations/Code of Corporate Governance.
Risk Management – Assurance Mapping	20	Time will be required in the Internal Audit plan to develop SCC's Assurance Mapping/Sources of Assurance Framework in 2018/19.
Sustainability and Transformation Plan	2.5	The Together We're Better partnership is moving from planning to delivery. The partnership has held workshops with the H&WB to cover how we move forward on delivery mode, governance and further public engagement. Some work has been undertaken on planning of the public estate and SCC has been involved with this project, however, progress on implementation of the STP has been slow and to date SCC have had little financial input. No specific work will be undertaken on this area in 2018/19, however Internal Audit will maintain a watching brief in this area in year.
Total No of Days	37.5	
Management of the Service	137	
Recommendation Tracking	20	
Contingency	25	
Total Days For SCC Plan	1610.5	

Appendix C – SCC Counter Fraud Plan 2018/19

Area	Number of Days
Strategic Development	
To review key Fraud Policies to ensure they are up to date, and reflect current best practice, and latest legislation.	5
Policies to be reviewed include: Fraud Bribery and Theft, Anti Money Laundering, Fraud Manual and Fraud Strategy	
To update the Fraud Risk Register to reflect new and emerging risks identified, and downgrade/remove diminished or non-existent risks.	5
Continue to monitor progress against CIPFA's Fighting Fraud Locally, and Code of Practice and monitor for similar best practice guides being published.	5
To develop a structured fraud awareness programme for elected members.	5
To undertake a Money Laundering Risk Assessment to help informal risk based approach to countering money laundering.	3
Participation in CIPFA anti-Fraud Surveys	3
Development of manual and proforma documentation for Proactive Fraud work, including continuous controls monitoring (4 days)	4
Total Days	
30	
Development of an Anti-Fraud Culture	
To develop an E-Learning Package	11
To develop a fraud awareness training offer, publication to appropriate team leaders and provision of sessions	15
To undertake Staff Fraud Awareness Survey (Junes 2018)	4
Quarterly refreshes and additions to the Council's Fraud Intranet and Internet Pages and publication of latest fraudwatch newsletter	5
Total Days	
35	
Prevent and Deter	
<p>Development and Implementation of Continuous Controls Monitoring</p> <p>During 2018/19 available data sets will be used to run monthly tests for red flags which may indicate fraud. Transactions identified will be reviewed for validity and compliance with Council Procedures.</p> <p>Testing to start in June 2018 with a limited set of data, as protocols and technical skills are identified, and will be extended in-year.</p> <p>Example data sets include P-Card transactions looking for inappropriate purchases, split transactions, unexpected merchant categories etc., and transactions that take place on days the cardholder is reported as sick.</p>	70
Analytical review to be undertaken of cash transactions made under the S17 process, followed by sample testing of perceived unusual transactions to verify their validity.	10
Total Days	
80	

Detection	
To provide support for the collection, verification and transmission of data for the 2018 data matching exercise in line with external deadlines. To ensure that the relevant promotional material/Fair Processing Notices for the exercise is prepared, produced and distributed appropriately. More time will be required in 2018/19 due to payroll system changes and Finance system changes. (8 days) The time set aside includes days for processing matches on release in January 2019 (12 days) In addition to the NFI Submission we will perform the matching exercise between personal budgets and pensions internally in October 2018 to coincide with an exercise of validating Personal Budget assessments (4 days)	24
To review a sample of direct payments for legitimacy (targeted testing will be carried out – Adult Financial Services Team to advise on high risk cases)	10
To perform sample testing on bank transactions relating to deputyship accounts to ensure they are legitimate.	10
The new home and community care contract links the payment to providers via the CM2000 system. Providers are required to log calls at the service user's home whilst performing the care visit. The new contract requires 95% compliant. Internal Audit will select a sample of providers and review the compliance rates element.	10
Local Authority procurement is at risk of infiltration from serious and organised crime and organised crime groups could be benefiting from public sector contracts. A report by the home office published in December 2016 identified that the procurement areas at risk were waste firms and taxis. As a result, in 2017/18, Internal Audit assessed the serious and organised crime risks that relate to the Council using the Serious and organised Crime Checklist produced by the Home Office. 2018/19 work planned is a review of the checklist completed in 2017/18 to ensure it remains up to date with emerging threats, systems and processes.	2
Continue to joint work (where appropriate)with the North Staffordshire Fraud Hub	2
Car parking fees will be applicable at the Chasewater Innovation Centre during 2018/19. To undertake a review of the income collection process to ensure that all income collected is accurately accounted for, held securely and banked in-tact.	2
Staffordshire wood fuel – to review the income and stock controls in place to mitigate the risk of fraud.	5
To review mileage and subsistence expenses claim data and perform targeted testing of 'red flag's that appear, and perform a thorough review of areas where suspicions have been raised.	10
To review the process for home to school transport – personal payments to ensure that payments are made to eligible individuals and are reviewed periodically to ensure their on-going entitlement to these payments.	10
Blue Badges - To undertake a risk assessment exercise.	10
County Fleet Care - We will perform a high level risk assessment to identify where the most significant risks lie, and then seek to validate that Council staff driving Council vehicles hold an appropriate license.	10
Total Days	105
Investigation	
Continue to undertake investigative work when issues of concern are identified through routine audit, reported by management or via the whistleblowing processes in place	200
Total Days	200

Management	
Representation at the MCCIAG Fraud Sub group and SCAG working groups	3
Continued liaison with the Director of Finance and Resources and the Director of Strategy, Governance and Change as and when issues arise.	2
Grand Total (Days)	455

Appendix D – Staffordshire Pension Fund Internal Audit Plan – 2018/19

Local Government Pension Scheme (LGPS) Asset Pooling	25	<p>In the July 2015, the government announced its intention to introduce a new regulatory framework which would facilitate collective investing. Following this, a joint proposal was developed with a number of Midland LGPS funds with combined assets of £35m to form an investment pool. In November 2016, the LGPS central was formally approved as a Local Authority Pension Fund Pool. LGPS Central Limited has been set up (Private company) to act as an alternative investment fund manager to run and operate one or more collective investment vehicles to allow the administering authorities to pool their respective investments. The company is also authorised by the Financial Conduct Authority (December 2017). It is envisaged that some SCC assets will be transferred over to the pool during the latter of 2018/19.</p> <p>Time will be required in 2018/19 to liaise with Treasury Services and the other Midland authorities who make up the 8 partner funds to develop a strategy for providing internal audit assurance over this area of activity in the future across the company and the joint investment pool. Each Council's External Audit firms will also have to be involved in discussions.</p> <p>IA involvement may also be required to give assurance over the transition of assets which will be a high risk area.</p>
Pension Fund - <u>Governance</u>	10	<p>New Pension Regulations came into force on 1st April 2015, which brought with it the Pensions Regulator and the Pension's Regulator's code of practice. These Regulations also introduced the requirement for new pension fund governance arrangements i.e. a pensions board.</p> <p>Continued assurance is required in 2018/19 over the Pension Fund Governance arrangements including: continued compliance with the Public Service Scheme CoP and Public Service regulatory Strategy in relation to Disclosure of Data; Maintenance of a Breaches Log, review of the monitoring process for covenant; and review of policies and the development of a training plan for Pensions Committee Members.</p>
Pension Fund - <u>Pensions Administration</u>	30	<p>To keep under review the arrangements in place for administering SCC's pensions scheme. This will include a review of payments due to and payments made from the pensions fund as well as the operation of the new software I-Connects and compliance with the GDPR.</p>
Total No of Days	65	

Appendix E – Quality Assurance Programme

Quality Assurance

Quality outcomes/process designed to deliver a consistently high quality audit service to our clients – fit for purpose/ meets client expectations/conforms to PSIAS.

Quality Improvement Plan

CIA reporting to the Audit & Standards Committee on the outcome of quality assurance review, together with the improvement action plan and any significant areas of non-conformance to PSIAS included in the Annual Report/Annual Governance Statement.

Ongoing Monitoring

Quality checks and oversight are undertaken throughout the audit review, ensuring that processes and practice are consistently applied and working well.

Role of the CIA

- To develop and maintain the Quality Assurance Improvement (QAIP) and resultant action plan.
- Focus on evaluating conformance with the Internal Audit Charter.
- Arrange an External Assessment in-conjunction with the Audit & Standards Committee.

Role of the Audit Managers

- Obtain on-going assurance that the audit planning, fieldwork conduct and reporting/communication results adhere to audit standard practice (as defined in the audit manual).
- Undertake audit supervision and review. The extent of supervision needed will depend on the proficiency and experience of the internal auditors and the complexity of the review.

Role of Individual Auditors

- Conduct all audit reviews in accordance with the requirements contained in the audit manual and PSIAS.
- Behave at all times in accordance with the PSIAS Code of Ethics and Code of Conduct.
- Promote the standards and their use throughout the Internal Audit Activity.
- Actively seek feedback for all reviews undertaken.
- Demonstrable commitment to delivering quality services.

During 2017/18 an External Quality Assessment of the Team was performed by Chartered Institute of Public Finance & Accountancy (CIPFA). In 2018/19, actions to implement the recommendations and suggestions arising from the review will be taken forward.

