TRAFFORD COUNCIL

Report to: **Accounts and Audit Committee**
Date: **27 March 2018**
Report for: **Approval**
Report of: **Audit and Assurance Manager**

Report Title

> **Audit and Assurance Service – Internal Audit Operational Plan 2018/19**

Summary

> The purpose of the report is to provide, at a high level, the proposed Internal Audit Operational Plan for 2018/19.

Recommendation

> The Accounts and Audit Committee is asked to approve the 2018/19 Internal Audit Plan.

Contact person for access to background papers and further information:

Name: Mark Foster – Audit and Assurance Manager
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Background Papers:
None

Internal Audit Operational Plan 2018/19 – Audit and Assurance Service

1. Introduction

1.1 The 2018/19 Internal Audit Operational Plan identifies the work to be undertaken by the Audit and Assurance Service during the year. This report describes its method of compilation and presents, at a high level, the 2018/19 Plan for approval.

2. Background

2.1 Each year the Audit and Assurance Service produces a report setting out its annual plan for approval by the Corporate Leadership Team (CLT) and the Accounts and Audit Committee. Subsequent updates are then provided to CLT and the Accounts and Audit Committee through the year highlighting work undertaken and progress against key areas of the plan. Actual work undertaken during the year against work planned is set out in the Annual Head of Internal Audit Report.

2.2 In accordance with the Accounts and Audit Regulations 2015, it is a requirement that the Council "must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance." The Audit and Assurance Service must undertake its work in accordance with the Public Sector Internal Audit Standards.

2.3 The Service's approach to undertaking internal audit work is set out in the Internal Audit Charter and Strategy documents. These were previously approved by CLT and the Accounts and Audit Committee in March 2017 and revised versions have been provided for approval in March 2018.

3. Compilation of the Internal Audit Plan

3.1 The Operational Internal Audit Plan is produced to take into account coverage of risks and associated controls in place. At the end of the year an audit opinion is given as to the overall adequacy and effectiveness of the Council's control environment, which encompasses internal control, risk management and governance. An important consideration is that the plan should include good coverage across Council services and systems.

3.2 A number of factors are taken into account in compiling the plan based on both statutory obligations, the objectives of the Council and an assessment of risks. Factors such as materiality, business risks, inherent risks and time since the area was last reviewed are taken into account. Consideration is given to the Council's six corporate priorities:
- Low Council Tax and Value for Money
- Economic Growth and Development

- Safe Place to Live – Fighting Crime
- Services Focussed on the most Vulnerable People
- Excellence in Education
- Reshaping Trafford Council.

There is audit coverage across each of the Council's Corporate Directorates to reflect the various priorities and also authority-wide audit work to cover various strategic risks in relation to achievement of these objectives.

3.3 New developments such as changes in legislation, organisational change and new policies and strategies are considered in planning work. For instance, coverage has taken into account the introduction of the General Data Protection Regulations from May 2018. Consideration will also be given to developments in relation to the Council's Investment Strategy. Given the Council's integration with Trafford CCG, Audit and Assurance will liaise with the CCG Internal Auditors to share plans and where relevant discuss findings and areas for future co-operation.

3.4 The Corporate Directorates provide input to the plan through liaison with the Audit and Assurance Service throughout the year and through information provided such as through risk registers, action plans, self-assessments and control / governance issues raised.

3.5 The Audit and Assurance Service has a number of obligations to take into account in producing the plan. For instance, time is set aside for the Service to co-ordinate the update of the Council's Strategic Risk Register.

3.6. Plans take into account other audit, assurance or development work being undertaken in particular areas. This includes work by the External Auditor and where applicable reviews by other external bodies. Through the year, account will also be taken of other internal reviews which may relate, for instance, to work in relation to Scrutiny or Transformation.

3.7 Time is allocated to follow up on control issues previously raised in 2017/18, including previous audit review work, to assess progress in implementing action plans, particularly where significant areas for improvement in controls have been identified. The plan highlights a number of follow up audits.

3.8 A specific category of audit time is also included to reflect the requirement for internal audit checks of information supporting particular grant claims.

3.9 The amount of time available to undertake the annual plan is identified, and individual areas of work selected taking into account the above factors. A contingency is also held to allow for unforeseen circumstances.

3.10 For reporting and monitoring purposes the plan is divided into a number of categories. Whilst the plan is divided into these categories it should be

noted that there are significant areas of overlap between them and assurance gathered from one source could apply to another.

3.11 There are a variety of activities undertaken to fulfil the plan and in addition to conducting internal audit reviews which result in the issuing of audit reports, work may also include providing input to project / working groups, providing guidance and advice, and providing input to council policies and procedures. The Service also facilitates the production of a number of corporate reports presented to the Accounts and Audit Committee.

3.12 The report does not include reference to all work to be undertaken during the year. As issues are raised or areas of risk are identified on an ongoing basis, other areas are included through the year and existing plans reviewed. For some areas, further elements of planning may take place during the year and therefore detailed plans are not available at the commencement of the year. Regular updates to CLT and the Accounts and Audit Committee will include reference to new work included in the work plan through the year. The plan is flexible and during the year adjustments may be made to accommodate any changes in the control environment and to consider emergent risks. Supporting the plan set out in this report are further plans detailing work allocated to individual staff.

3.13 Time is set aside for the completion of reviews which had been included as part of the 2017/18 Plan. Work completed or in progress in 2017/18 and work carried forward to 2018/19 will be reflected in the Annual Head of Internal Audit Report to be issued by June 2018.

3.14 Assumptions in respect of available audit days are considered to provide the total planned days. For 2018/19, there are 1140 available operational audit days. Total expected staffing resources to deliver the plan amounts to 6.90 full time equivalent staff plus resources of 50 audit days purchased from Salford Internal Audit Services to undertake ICT audit work.

3.15 In addition to the 1140 planned days shown, it should be noted that further time is allocated for a number of other activities undertaken that are not reflected in the analysis as they are not attributable to one particular category of work but support the audit process. These include support to the Accounts and Audit Committee, liaison with the External Auditor (Grant Thornton), development of audit systems, procedures and guidance, networking with other North West Internal Audit groups to share good practice, information gathering in support of the production of the audit plan etc. Separate additional time allocations are given to individual staff to undertake these activities.

4.   Reporting / Performance Monitoring

4.1 Through the year, progress updates will be provided to CLT and the Accounts and Audit Committee (through periodic updates and the Annual

Head of Internal Audit Report) which will refer to details of performance, impact of audit and progress against the plan. This will include details of:

- Actual chargeable audit days against planned days allocated.
- Number of audit opinion reports issued against that planned for the year (Target of 40 audit opinion reports to be issued in 2018/19 to final or draft stage, with any remaining opinion reports listed to be issued in the following year (See Appendix 2 for planned reports to be issued)).
- The impact of audit recommendations made in terms of both initial acceptance and also implementation (the latter identified through follow up audit work).
- A summary of feedback from managers in respect of client surveys, which is detailed in the Annual Head of Internal Audit Report.

4.2   Where reviews or other key areas identified in the 2018/19 Plan are not undertaken as scheduled, this will be reported in subsequent updates including the 2018/19 Annual Head of Internal Audit Report.

4.3   Updates through the year will also include commentary on Audit resources available if there are issues that may impact on completion of the plan.

5.   Internal Audit Plan Coverage 2018/19

5.1   The plan is compiled to ensure coverage across a wide and diverse range of services, systems and thematic areas of coverage. Each of the main categories of work is described in the paragraphs below.

In Appendix 1, there is a summary of the planned work and an estimated time is allocated to each category. This includes an estimate of time profiled by quarter.

In Appendix 2, there is a listing of audit opinion reports to be issued. This also indicates reviews where reports are expected to be issued in quarter one of 2018/19. There is also an explanation of the audit opinion levels.

5.2   **Fundamental Systems**

These are the core financial systems that provide key inputs for the production of the material balances in the Council's accounts.
Previous assurance obtained in earlier audits will be taken into account in planning the level of audit coverage within individual reviews.

Coverage will include review of the following systems during the year:

-       Review planned to commence by the end of 2017/18 with work to be undertaken and reported on in 2018/19:
        • Accounts Payable.

- Review completed on annual basis, covering the financial year 2017/18:
  - Treasury Management.

  It is agreed that in undertaking this annual review, consideration will be also be given to future planned audit work in respect of the Council's investment strategy in respect of property investments.

- Further to the completion of an IT controls based audit review in respect of the HR/Payroll system, I-Trent (see 5.7), a wider review of the Payroll system and procedures will also be completed, in liaison with GM Shared Services.

- Audit reviews of systems in relation to Children's Services:
  - Liquid Logic/ContrOCC system
  - Direct Payments.

- Following work undertaken in 2017/18, final audit reports are expected to be issued by April 2018 in respect of the following reviews and further planned work in these areas will be considered in liaison with respective services.
  - A review of Income control procedures across the Council.
  - Adult Social Care Liquid Logic / ContrOCC system.
  - Direct Payments (Adults Services).

- For a number of other financial systems subject to regular review where final audit reports have previously been issued in 2017/18 and high opinion levels provided, towards the end of 2018/19 plans will be agreed in terms of timing for respective future reviews. These relate to:

  - Council tax
  - Business Rates
  - Housing Benefit/Council Tax reduction
  - Accounts Receivable/Debt Recovery.

- There will be an audit review of budgetary control processes, which will include a focus on the higher risk demand-led budgets.

Time will also be set aside for other issues and developments arising in respect of financial systems where further audit input or advice may be appropriate.

5.3 **Governance**

Audit and Assurance has previously led on collating supporting evidence and assurances for the completion and approval of the Council's Governance Statement (AGS). For the 2017/18 AGS, to be finalised by July 2018, Legal and Democratic Services will provide the lead. Audit will

allocate time in the first quarter of 2018/19 to provide support and advice as part of the completion of the handover of roles. In addition, Audit will complete a review of the content of the draft AGS with reference to the CIPFA/SOLACE Governance framework and guidance and feedback to Legal and Democratic Services on its findings. Further to the completion of the 2017/18 AGS, Audit will agree further governance review work as part of further plans.

Audit will also liaise with counterparts in other Greater Manchester (GM) Councils and will set time aside for any assurance required to be provided in relation to GM wide issues. This may include grant claim checks (See 5.10).

Time will be set aside in the plan to provide internal audit input to other governance issues across the Council, including issues within the Council and through partnerships. This may take the form of sharing guidance or providing comment / advice in respect of ongoing developments which may also inform future planned audit work. This may include, for instance, developments in relation to integration with the CCG, and the Service will liaise with the CCG's internal auditors to discuss future plans.

5.4   **Risk Management**

Time is allocated to review existing risk management arrangements across the Council and ensuring processes are evidenced. This will include continuing to facilitate the ongoing update of the strategic risk register. This provides assurance in respect of the highest strategic risks faced by the Authority in terms of the management and ongoing monitoring of those risks.

Audit will undertake a review of existing risk registers at Directorate level and will review existing practice and where applicable, in liaison with respective Corporate Directorates, consider any areas for development.

The Service maintains corporate risk management guidance, available on the Council's intranet, which where applicable will continue to be updated through the year.

5.5   **Anti-Fraud & Corruption**

Fraud and corruption risks are considered as part of audit planning for individual audit reviews and where appropriate recommendations are made to reduce risks.

Specific cases of suspected internal fraud or theft referred to the Audit and Assurance Service will be subject to investigation during the year.

The Service will also continue to support the National Fraud Initiative (NFI) and will liaise with other services to ensure the Council provides data in accordance with the requirements of the NFI 2018/19 exercise.

Audit and Assurance will continue to work with other relevant services within Transformation and Resources to consider any further updates required to individual policies and guidance supporting the Anti-Fraud and Corruption Strategy.

5.6 **Procurement / Contracts / Value for Money**

Audit and Assurance undertakes reviews of procurement arrangements and processes to ensure the Council strives to achieve value for money and undertakes procurement in accordance with relevant legislation and the Contract Procedure Rules.

As part of internal audit planning, the Service liaises with the STAR Shared Procurement Service and Internal Audit sections of the partner authorities (Stockport and Rochdale Councils). Audit plans are co-ordinated with relevant findings shared to ensure an efficient audit process.

Work previously identified for 2017/18 included six audit reviews to be undertaken in liaison with STAR (with two reviews each being covered by the respective Internal Audit teams with the lead Authority shown against each audit below). In part, coverage in 2018/19 will be informed by the progress of and findings from these reviews:

- Procedures in relation to the financial vetting of firms tendering for contracts across the authorities which have been established by STAR (Lead - Trafford Council): A final audit report was issued in 2017/18 and progress in implementing recommendations will be followed up in 2018/19.

- Chest Procurement Portal: A final report was issued in 2017/18 and findings from this work will be followed up in 2018/19 (Lead – Rochdale Council).

- Procedures for maintaining the Contracts Register by STAR which have been developed since its formation (Lead - Rochdale Council): Planning for this review commenced in the final part of 2017/18 so a final report is expected to be issued in early 2018/19. Any further work in this area during the year will be informed by the findings from this review.

- Given one set of Contract Procedure Rules (CPRs) is formally in place across all three authorities, a review to include adherence to the CPRs in practice was planned (Lead – Stockport Council): A final report is expected to be issued by the end of 2017/18 so further follow-up of developments following this review will be considered for 2018/19.

- An audit is to commence towards the end of 2017/18 covering Social Value in procurement (in accordance with the Public Services Social Value Act 2012), incorporating follow up of the previous audit undertaken and monitoring in place across contracts within the authorities.(Lead - Trafford Council). A final report will be issued in 2018/19.

- A review of the STAR Procurement Quality Management System (QMS), incorporating key procedures and systems operated by the Shared Service, is to commence towards the end of 2017/18 (Lead - Stockport Council). A final report will be issued in 2018/19.

Further to the issue of the final reports referred to above, further work to be completed in 2018/19 currently includes the following areas:

- Further to the completion of the QMS review referred to above, it was agreed that a review will be undertaken to include consideration and monitoring of Performance Indicators for STAR.

- Following proposals by STAR for changes to be made to the processing of new vendor requests, it was agreed that an audit will be completed in relation to this process. Processes for monitoring of spend with individual suppliers will be considered as part of this review.

Timing of the above reviews and consideration of any further work will be confirmed by the respective authorities in liaison with STAR and other relevant services during the year.

Towards the end of the year, Audit and Assurance plan to undertake an audit review of processes in relation to the commissioning of children's external residential placements.

Audit and Assurance will work with the EGEI Directorate to assist in monitoring levels of income due and received from the lease arrangement for Altrincham Market.

Audit and Assurance has worked with management to assist in reviewing performance monitoring arrangements established by the Council with its One Trafford Partnership with Amey. Time will be set aside to contribute further and also consider future audit work in this area.

5.7 **Information Governance / Information, Communications and Technology (ICT)**

This block of work covers both ICT auditing as well as the review of information governance processes across the Council.

The audit of ICT covers the review of procedures, processes and controls across a range of computer systems and technical solutions. Salford

Internal Audit Services undertake a significant part of this work and also contribute to audit planning in respect of this area. The following work has been planned to date:

- Review of cyber security as considered on an annual basis as an ongoing strategic risk.

- An assessment of how the council's Information Security Management System is aligned to the ISO 27001 standard.

- Follow up of previous audit review work completed in 2017/18 to assess progress in implementing recommendations which will include a follow up audit of software licensing.

In addition, work originally scheduled for the 2017/18 Plan will be completed. This relates to:

- Follow up of progress following the previous audit review completed in February 2017 of the Council's IT Change Management processes.

- An IT application review of the HR/Payroll system, iTrent, which is the system used as part of the shared service arrangement with Greater Manchester Police to jointly deliver transactional HR and payroll services.

Time will also be set aside to continue to review progress in managing risks relating to IT Disaster Recovery and Business Continuity.

This block of work may also cover, in liaison with Human Resources and other services, investigating cases of misuse of the Council's ICT facilities, ensuring members and staff are aware of responsibilities such as in adhering to the council's Acceptable Use Policy.

There may also be further time allocated for advice and consideration of other work in respect of developments relating to organisational or system changes.

Audit work also encompasses wider information governance aspects.

With the introduction of General Data Protection Regulations (GDPR) being effective from 25 May 2018, Audit will continue to contribute to the work of the Information Security Governance Board (ISGB) (See 5.11).

As completed in previous years, Audit will work in liaison with the Information Governance (IG) team to provide an independent review of the assessment completed for the NHS IG Toolkit by the IG team prior to its submission.

It is planned that an audit review is completed in relation to the Council's processes in relation to managing the risks of data breaches, taking into account the requirements of GDPR. This may include following up issues where appropriate in relation to individual breaches.

Audit will liaise through the year with the Information Governance team as part of the above work and also to consider planning further audit work.

5.8 **Schools**

As part of the Schools Financial Value Standard, schools are required to submit a declaration to show adherence to the Standard by 31 March each year. Information submitted is utilised by Audit and Assurance to assist in planning and undertaking school audits.

Based on a risk assessment, taking into account the information above and from previous work undertaken at each school and liaison with the CFW Directorate and Finance Services, it is planned that at least 14 school audits will be undertaken, which will include one follow-up audit review. Audit reports will be issued as part of each audit review. Follow up work includes further audit visits where a less than adequate audit opinion has been issued in the previous year.

In addition, Audit will continue to liaise with relevant services within CFW and Financial Management in relation to schools related issues including sharing findings and considering risk areas and future planned audit coverage.

5.9 **Assurance – Other Business Risks**

Time is allocated to reviewing risk areas derived from a number of sources not covered within other categories of the plan, including directors / senior managers' recommendations, risk registers and areas identified by the Audit and Assurance Service. Reviews may cover individual services, establishments, functions and authority wide issues and risks to ensure a broad coverage of audit work across the Council.

For service/establishment related reviews, risks reviewed may encompass a number of areas of control such as procedures and responsibilities, adherence to legislation, budgetary control, Payroll/HR related processes, risk management, security (of cash, assets and data), expenditure; income collection and recording, performance monitoring, information governance and other areas specific to the objectives of the service under review.

Audit reviews are included in the plan as follows (with the relevant Corporate Directorate(s) shown in brackets:

- Service / Establishment reviews:
  - Altrincham Library (T&R)

- Licensing (EGEI) which will include follow up of previous work undertaken in relation to taxi licensing.
- Environmental Health (EGEI)
- Pest Control (EGEI)

- Other reviews:
  - Registration Service (T&R) – Review including controls in relation to income.
  - Energy Management (EGEI) – Processes in place as part of the One Trafford Partnership.
  - Statutory Homelessness Services (EGEI) - Considering how the Council is meeting new requirements on local authorities as part of the Homelessness Reduction Act coming into effect from April 2018.

For the above reviews, Audit and Assurance will contact individual services to discuss and agree the detailed scope of the reviews prior to any work being undertaken.

Follow up work in respect of previous audit work undertaken in 2017/18 will be completed. This will include further audit reviews of:

- Payments to Care Leavers (CFW - Children)
- Aids and Adaptations (CFW – Adult Services).

A number of other audit reviews completed in 2017/18 will be followed up. Further audits are not currently planned but managers will be asked to provide updates on progress made with previously agreed recommendations. These include the following:

- Corporate Health and Safety (T&R) - Review previously undertaken of this area of strategic risk covering corporate processes in place.
- Partington Children's Centre (CFW - Children) – Establishment audit review.

In agreement with respective Directorates, some reviews have been rescheduled from commencing in 2017/18 to be included in the 2018/19 Plan. These are as follows:

- Client Finances system (T&R/CFW) - Review of the new system which was introduced in 2017/18, where the Council acts in the capacity of an Appointee or Deputy to manage the finances of vulnerable people.
- Planning Enforcement (EGEI) – Service review covering systems, procedures and controls to achieve the service objectives.
- Strategic Growth Team (EGEI) - Service review to include coverage of procedures, responsibilities and performance monitoring against service objectives.

- Flixton House (T&R) – This establishment is to be closed for refurbishment and it was agreed a review will be undertaken in 2018/19 to include coverage of income and expenditure control.

There will also be time allocated for the completion of any other work expected to be in progress or commencing by the end of March 2018. This will be reflected in the 2017/18 Annual Head of Internal Audit Report. This will include the following list of reviews previously detailed in the 2017/18 Internal Audit Plan:

- Altrincham Crematorium (T&R)
- Old Trafford Library (T&R)
- Trafford Town Hall Catering (T&R)
- Let Estates (EGEI)
- Music Service (T&R)
- Section 17 Payments (Children's Act) (CFW)

There will also be time set aside to review other potential risk areas as raised through 2018/19.

5.10 **Data Quality/Grant Claims**

A block of time is included in the plan for review of grant claims and other data quality checks made through the year where the internal audit function is required as part of the review/sign off process.

Time allocated includes the Service continuing to provide a role in providing assurance as part of the Council's Stronger Families programme. There will also be a requirement for Audit input to sign off the 2017/18 grant claim in respect of the Disabled Facilities Grant.

Audit is notified of grant claims and other returns to be checked at various stages during the year and work actually completed will be reported in Audit updates through the year and the in the Annual Head of Internal Audit Report.

5.11 **Service Advice / Project support**

The Audit and Assurance Service provides advice across the Council on governance and control issues. In addition to areas listed elsewhere in this report, time is set aside for the provision of ongoing service advice. This may take the form of responses to ad hoc queries, issuing guidance, and liaison with services.

The Audit and Assurance intranet site includes information on the role of Audit and associated guidance for services in respect of risk management, governance and anti-fraud and corruption. This will be updated where appropriate through the year.

Audit and Assurance will continue to contribute to the work of the Information Security Governance Board through the year. This will include contributing to progressing the Action Plan in respect of the introduction of GDPR, including input to the review of policies and risk management arrangements.

Time will be set aside to contribute where agreed to projects relating to the Council's Transformation programme.

Audit will also include time to work with the Trafford Leisure Community Interest Company (CIC) in respect of advice on its financial controls.

Account will always be taken of the primary objective of Internal Audit to complete assurance work and approval would be sought from CLT and the Accounts and Audit Committee before any significant unplanned consultancy work is agreed which would impact on the Internal Audit Plan.

Category	Details	Impact of Audit and Assurance's work	**Planned Days** (Profiled by each quarter of year – Q1/Q2/Q3/Q4)
Fundamental Systems	**Coverage, includes audits of fundamental financial systems reviews as described in section 5.2:** **Advice in relation to consideration of new systems.** **Audit Opinion Reports to be issued as listed in Appendix 2.**	**Assurance on the operation of material business critical systems. Improvements in control environment supporting the achievement of corporate priorities, effective financial management, good governance and supporting the Council's position in respect of its external audit review.**	**180** (50/55/50/25)
Governance	**Coverage as described in section 5.3:** **Corporate Governance / AGS - to provide support and advice to Legal and Democratic Services and consider further planned work.** **Complete a review of the content of the draft AGS with reference to the CIPFA/SOLACE Governance framework and guidance.** **Advice / assurance in respect of governance issues.**	**Provision of assurance on the effectiveness of governance arrangements in place within the Council to support the achievement of Council and Community objectives and priorities.** **The Annual Governance Statement provides assurance to the public on the effectiveness of governance arrangements and enables the establishment of corporate improvement priorities.**	**30** (15/4/3/8)
Corporate Risk Management	**Coverage as described in section 5.4:** **Facilitating the updating of the Council's strategic risk register.**	**Assisting the Council to effectively manage risks leading to improvements in service delivery, achievement of objectives and improvements in the allocation of resources. The work also supports the**	**35** (5/8/8/14)

	Review existing Corporate Directorate risk registers and, where applicable, consider areas for development.

Actions to support the Council's Risk Management Strategy including provision of guidance. | Council in evidencing good practice undertaken when subject to inspection and review. | |
| **Anti-Fraud & Corruption** | **Coverage as described in section 5.5:**

Investigation of referred cases of suspected theft, fraud or corruption.

The Service will also continue to support the National Fraud Initiative (NFI) and will liaise with other services to ensure the Council provides data in accordance with the requirements of the NFI 2018/19 exercise.

Other work to support the Ant-Fraud and Corruption Strategy, including where applicable working with other relevant services to review existing policies and guidance supporting the overarching strategy. | **Contributes to the maintenance of high standards of conduct and governance. Provides assurance on the management of the risks of fraud and corruption. Advice to services on the improvement of controls in place to reduce potential risks, e.g. financial loss and reputational damage.** | **110**
(20/30/30/30) |
| **Procurement / Contracts / Value for money** | **Coverage as described in section 5.6:**

Review of procurement / contract management arrangements including systems in place and associated arrangements to secure value for money (Work will include liaison with the STAR Procurement Service and partner authority auditors).

Audit Opinion Reports to be issued as listed in Appendix 2. | **Assurance and challenge on the adequacy of procurement arrangements. Contributes to improvements in service delivery and the achievement of value for money for the Council.** | **80**
(20/15/10/35) |

Information Governance / Information, Communications and Technology	**Coverage as described in section 5.7:** **ICT Audit reviews and advice conducted by Salford Internal Audit Services.** **ICT related investigations where applicable.** **Information Governance reviews** **Audit Opinion Reports to be issued as listed in Appendix 2.**	**Specialised technical advice and assurance on the adequacy of controls surrounding ICT systems. Assurance to managers who place significant reliance on ICT systems for the delivery of services. Contribution to the review and further development of the Council's information governance arrangements.**	**100** (25/20/20/35)
Schools	**Coverage as described in section 5.8:** **Providing assurance on the control environment within schools, supporting schools in ensuring awareness of requirements within the DfE Schools' Financial Value Standard.** **Audit reviews of schools – at least 14 school audit visits to be undertaken during the year.** **Planned audits to date are listed in Appendix 2.**	**Supports improvements in standards of governance and control in schools and supports process to enable achievement of standards set by the DfE.**	**180** (50/40/50/40)
Assurance – Other Business Risks	**Coverage as described in section 5.9:** **Audits selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews include authority wide issues and areas relating to individual services, establishments and functions. Includes:** **- Audit reviews** **- Follow up reviews including further audits and gaining assurance from**	**This work enables Internal Audit to provide a breadth of assurance across the Council that there are adequate governance and control arrangements in place, that policies and procedures are being implemented, that risks are being managed, and outcomes delivered.**	**250** (49/61/61/79)

	service updates. **Audit Opinion Reports to be issued as listed in Appendix 2.**		
Grant claims checks / Data Quality	**Coverage as described in section 5.10:** **Internal audit checks of grant claims / statutory returns as required:** **Audit and Assurance to be advised through the year of grant claims and other returns to be checked/signed off.**	**Ensuring the Council adheres to requirements in submitting relevant grant claims where Internal Audit input is required, providing assurance regarding the accuracy of data and supporting information reviewed.**	**35** (5/17/7/6)
Service Advice / Projects	**Coverage as described in section 5.11:** **General advice, both corporately and across individual service areas. Support and advice to the organisation in contributing to working groups and projects in relation to governance, risk and control issues. To Include:** **- contributing to work of the Information Security Governance Board;**	**Support to services, groups, project teams etc. around the relevance and application of corporate policies, procedure rules and good governance arrangements.** **Contributing to the delivery of effective project outcomes including input to the consideration of key risks and appropriate controls considered in the development of new systems, functions and procedures.**	**80** (20/20/20/20)
		Total Allocated Days	**1080** (259/270/259/292)
		Contingency (To cover additional / unexpected work and any unexpected reductions in available staff days).	**60**
		Total Planned Days	1140
		Available Days	**1140**
		Surplus/Deficit for Year	**0**

2018/19 Internal Audit Plan – Audit Opinion Reports

Category	Audit Opinion Reports
Fundamental Systems	- Income Control (T&R) * - Liquid Logic/ContrOCC system – Adult Services (CFW/T&R) * - Direct Payments (CFW - Adults) * - Treasury Management (T&R) - Accounts Payable (T&R) - Payroll (T&R) - Liquid Logic/ContrOCC system – Children's Services (CFW/T&R) - Direct Payments (CFW – Children's Services) - Budgetary Control (Authority-wide) (Note – As per 5.2, planning for timing of other reviews to be considered towards the end of 2018/19 and timing of issue of subsequent reports will be reflected in future Audit and Assurance updates and plans).
Procurement / Contracts / Value for money	- Contracts Register (STAR Authorities – Rochdale lead) (T&R) * - Contract Procedure Rules (STAR Authorities – Stockport lead) (T&R/Authority-Wide) * - Social Value in Procurement (including follow up) (STAR authorities – Trafford lead) (T&R/Authority Wide) * - STAR Quality Management System (STAR Authorities – Stockport lead) (T&R) * - Chest Procurement Portal (follow up) (STAR Authorities – Rochdale lead) (T&R) - Financial vetting of firms (follow up) (STAR Authorities – Trafford lead) (T&R) - STAR Performance Indicators (STAR Authorities – lead to be confirmed) (T&R) - New vendor requests / spend monitoring (STAR Authorities – lead to be confirmed) (T&R) - Commissioning of children's external residential placements (CFW) (Any further planned work re Procurement to be determined during the year.)
Information Governance / ICT Audit	- IT Change Management follow-up audit (T&R) - ITrent System IT Application Controls (T&R) - Software Licensing - follow up (T&R) - Cyber Security (T&R) - Information Security Management (ISO 27001 Gap Analysis) (T&R)

	- Data breaches (T&R/Authority-Wide)
Schools	14 Opinion Reports to be issued. The full list of audits to be confirmed through 2018/19 but to include reports to be issued for: - 11 Primary Schools (including follow-up audit of English Martyrs' RC Primary School). - 2 Special Schools - 1 Secondary School. (CFW)
Assurance – Other Business Risks	- Old Trafford Library (T&R) * - Altrincham Crematorium (T&R)* - Trafford Town Hall - Catering Income (T&R)* - Let Estates (EGEI) * - Client Finances (Appointees and Deputyships) (T&R/CFW)* - Section 17 Payments – Children (CFW)* - Music Service (T&R)* - Altrincham Library (T&R) - Flixton House (T&R) - Registration Service (T&R) - Licensing (EGEI) - Planning Enforcement (EGEI) - Pest Control (EGEI) - Environmental Health (EGEI) - Strategic Growth Team (EGEI) - Statutory Homelessness Services (EGEI) - Energy Management (EGEI) - Payments to Care Leavers - follow up (CFW) - Aids and Adaptations - follow up (CFW)

*Denotes reviews where audit reports are expected to be issued in Quarter One of 2018/19, which includes some reviews carried forward from 2017/18. Planned completion of work in the remainder of the year to be advised in subsequent Audit and Assurance update reports.

(Note: A target number of 40 of the above reports is planned to be issued during 2018/19 with remaining reports to be issued in the following year – target excludes reports issued by other STAR partners).

Audit Opinion Levels

For the above reviews listed, an audit report will be issued and an audit opinion will be provided. Opinion levels are set as follows:

Audit Opinion Level	Description
High	Very good standard of control. All high risk areas are adequately controlled.
Medium/High	Good standard of control. A small number of high risk areas require control improvements.
Medium	Adequate standards of control. Control improvements are required for a number of high risk areas.
Low/Medium	Marginal standard of control. Some business risks are controlled effectively. Control improvements are required for a significant number of high risk areas.
Low	Unsatisfactory standard of control. Controls in place to address business risks are not adequate.