

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 26 March 2019
Report for: Approval
Report of: Audit and Assurance Manager

Report Title

Audit and Assurance Service – Internal Audit Operational Plan 2019/20

Summary

The purpose of the report is to provide, at a high level, the proposed Internal Audit Operational Plan for 2019/20.

Recommendation

The Accounts and Audit Committee is asked to approve the 2019/20 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

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TRAFFORD
COUNCIL

Internal Audit Plan 2019/20

Date: March 2019

Internal Audit Operational Plan 2019/20 – Audit and Assurance Service

1. Introduction

- 1.1 The 2019/20 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 2019/20 Plan for approval.

2. Background

- 2.1 Local authorities continue to face challenges in delivering services with the limited resources available. This is particularly difficult with changing and increasing demand pressures and also funding and cost pressures. It is important that local authorities manage resources effectively, manage risks and consider opportunities to help achieve priorities. As part of this, councils need to ensure effective governance arrangements, systems and controls are in place to ensure value for money is achieved and the risk of fraud or error is minimised. Internal Audit work aims to support the organisation providing independent review of systems, processes and controls and provides a mechanism for identifying improvement actions required by the organisation.
- 2.2 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.
- 2.3 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.
- 2.4 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 2018 and revised versions have been provided for approval in March 2019.

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 statutory obligations, the Council's corporate priorities 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.
- 3.3 The 2019/20 Plan takes account of risks in relation to financial resilience with reviews covering financial systems and budgetary control (See 5.2). Other areas of strategic risk considered including reviews in relation to cyber security (See 5.7) and business continuity (See 5.4).
- 3.4 There is audit coverage across the Council's Corporate Directorates to reflect the Council's corporate priorities. For instance, a wide variety of service audits are included within the Plan (as referred to in Section 5.9) covering for instance services in relation to children, adults, environmental and other issues. 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 (See 5.4) and input to the review of the Council's Annual Governance Statement (5.3). A specific category of audit time is also included to reflect the requirement for internal audit checks of information supporting particular grant claims (See 5.10).
- 3.6 The risk of fraud and corruption is considered as part of planning a wide range of audits and also dedicated work in relation to fraud risks takes place, including co-ordinating, with other teams, the Council's work in relation to the National Fraud Initiative (See 5.5)
- 3.7 There is a programme of planned audits in place of the Council's maintained schools which includes providing assurance that schools are operating in accordance with the Schools Financial Value Standard (See 5.8).
- 3.8 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. Where

- appropriate, account will also be taken of other internal reviews which may relate, for instance, to work in relation to Scrutiny or Transformation.
- 3.9 Plans include co-ordination with partners to provide assurance. This includes ongoing liaison with other Internal Audit sections as part of the STAR Shared Procurement Service to co-ordinate planned work (See 5.6). Where appropriate, Audit will liaise with other Internal Audit teams such as other Greater Manchester local authorities and Trafford CCG.
 - 3.10 Time is allocated to follow up on control issues previously raised in 2018/19, 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.
 - 3.11 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 (For instance, in 2018/19 this was used to offset a reduction in days available following a secondment).
 - 3.12 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.
 - 3.13 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 (See 5.11). The Service also facilitates the production of a number of corporate reports presented to the Accounts and Audit Committee.
 - 3.14 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.
 - 3.15 Time is set aside for the completion of reviews which had been included as part of the 2018/19 Plan. Work completed or in progress in 2018/19

and work carried forward to 2019/20 will be reflected in the Annual Head of Internal Audit Report to be completed by May 2019.

- 3.16 Assumptions in respect of available audit days are considered to provide the total planned days. For 2019/20, there are 1075 available operational audit days. Total expected staffing resources to deliver the plan amounts to 6.55 full time equivalent (FTE) staff plus resources of 50 audit days purchased from Salford Internal Audit Services to undertake ICT audit work. (Whilst there are a total of 7 staff in the Audit and Assurance Service the FTE figure takes into account the assumption that one officer is on secondment to another team for the first quarter of 2019/20 and another officer is working part-time hours).
- 3.17 In addition to the 1075 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 (Mazars), 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 38 audit opinion reports to be issued in 2019/20 to final or draft stage, with any remaining opinion reports listed to be issued in the following year (See Appendix 2 for planned audit opinion 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 2019/20 Plan are not undertaken as scheduled, this will be reported in subsequent updates including the 2019/20 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 2019/20

- 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 2019/20. 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 continue to 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 completed on annual basis, covering the financial year 2018/19:
 - Treasury Management.

In addition, any future planned audit work in respect of the Council's investment strategy in respect of property investments will also be considered during the year taking into account any new guidance expected to be issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

- A number of other key financial systems audits which are subject to regular review and were not included in the previous 2018/19 Internal Audit Plan, are included for review in 2019/20.
 - Council tax
 - Business Rates
 - Housing Benefit/Council Tax reduction
 - Accounts Receivable/Debt Recovery.
- Reviews originally planned to commence by the end of 2018/19 which will be undertaken in the first half of 2019/20. (For some of these reviews, other related work is being undertaken in the latter part of 2018/19 prior to these reviews commencing):
 - Accounts Payable (An audit of systems and controls in relation to purchase cards is in progress and a wider review of Accounts Payable systems and controls will be undertaken in 2019/20).

- HR/Payroll system (An IT controls based audit review of the HR/ Payroll system is in progress and in 2019/20 a wider review will be undertaken with the scope to be agreed).
 - Budgetary Control – An audit review of budgetary control processes, expected to cover a range of service areas including Children, Adults and Public Health.
- Audit reviews of systems in relation to Children’s Services:
 - Direct Payments review to include follow-up of previous audit work and consideration of arrangements in relation to transitions from children’s to adult social services.
 - Following work undertaken in 2018/19, a final audit report is expected to be issued by April 2019 in respect of the Children's Social care payments system, Liquid Logic / ContrOCC.
 - Audit reviews of systems in relation to Adult Social Care:
 - Adult Social Care Liquid Logic / ContrOCC system – follow-up of recommendations made in audit completed in 2018/19 and consideration of other future audit coverage.
 - Adult Social Care Direct Payments – follow-up of recommendations made in audit completed in 2018/19.

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

The approach for producing the Council’s 2018/19 Annual Governance Statement was set out in a report to the Accounts and Audit Committee in February 2019. Legal and Democratic Services lead in collating the AGS and Audit and Assurance will continue to work with Legal and Democratic Services to provide support where required. 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.

In 2018/19, an audit review was completed in respect of processes for the declaration of gifts and hospitality by officers. A follow-up audit will be undertaken to review progress in implementing recommendations made.

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 will 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 developments in relation to integration with the CCG, and the Service will liaise with the CCG's internal auditors where appropriate.

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 - Risks such as in relation to national funding issues, the impact of Brexit and demand-led pressures being taken into account by management.

Audit will also identify existing risk registers at Directorate level and where applicable, in liaison with respective Corporate Directorates, consider any areas for development.

In terms of managing key risks associated with delivering service in the event of significant disruption, an audit review of Business Continuity arrangements across the Council was completed in 2018/19 and a follow-up audit will be completed in 2019/20 to assess progress in addressing recommendations made.

The Service maintains corporate risk management guidance, available on the Council's intranet, which where applicable will be further updated during 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 the risk of fraud.

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 that data matches identified in 2018/19 are followed up in line with Cabinet Office requirements. Progress will be reported in future Audit and Assurance Service updates.

Audit and Assurance will continue to work with Legal and Democratic Services and other services as required 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 in relation to the STAR Shared Procurement Service, Audit liaises with both STAR and the Internal Audit sections of the partner authorities (Stockport, Rochdale and Tameside Councils). Audit plans are agreed and relevant findings shared to ensure a co-ordinated audit process. At the time of this report, some planned review work had been agreed for 2019/20, with further areas to be confirmed during the year as part of ongoing discussions. To date, areas to be covered include:

- A review of Performance Management in STAR, including coverage of key performance indicators (Lead – Stockport Council).
- Further to the audit report issued in November 2018 in respect of compliance with the Contract Procedure Rules (CPRs), Audit will liaise with STAR in respect of progress regarding actions to address the recommendations made.
- Following the establishment by STAR of revised procedures for the processing of new vendor requests, an audit will be completed in relation to this process. (Lead – Rochdale Council).
- An audit, likely to be undertaken towards the end of 2019/20, covering Social Value in procurement (in accordance with the Public Services Social Value Act 2012), incorporating monitoring in place across contracts within the authorities. (Lead - Trafford Council).

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

Originally planned to start towards the end of 2018/19 and now rescheduled to 2019/20, Audit and Assurance plan to undertake an audit review of processes in relation to the commissioning of children's external residential placements.

Further to completing the above, future planned audit work relating to commissioning in respect of Adult Services will also be considered during the year. Audit will liaise further with Adult Services and also relevant services including Commissioning to consider areas for future review.

Audit and Assurance will complete an audit to cover contract monitoring arrangements established by the Council with its One Trafford Partnership with Amey.

Time will also be set aside to cover any other areas of work, both in relation to STAR and other areas, carried over from 2018/19, which will be reflected in the 2018/19 Annual Head of Internal Audit Report.

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:

- As a key strategic risk, a review of cyber security based primarily on the National Institute of Standards and Technology (NIST) Cyber Security Framework.
- ICT Service Management review following, where applicable, the ITIL framework (a detailed set of practices for IT service management that focuses on aligning IT services with the needs of business).
- Follow up of previous audit review work completed in 2018/19 to assess progress in implementing recommendations which will include a follow up audit of the HR/Payroll iTrent system.
- A follow up of outstanding recommendations relating to previous audits of the IT Service Desk and Software Licensing to be completed by Trafford Audit and Assurance Service staff.
- Other time will be allocated to consider developments in the Council's digital strategy and further work allocated where applicable.

This block of work may also cover, in liaison with other services such as ICT, 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:

- Audit will continue to contribute to the work of the Information Security Governance Board (ISGB) (Also See 5.11).
- An audit review was completed in 2018/19 in relation to the Council's processes for managing the risks of data breaches, taking into account the requirements of the General Data Protection Regulations (GDPR). A follow-up audit will be undertaken later in 2019/20.
- An audit review of procedures in relation to dealing with Subject Access Requests (SARs), ensuring the requirements of GDPR are being met.
- In liaison with the Information Governance team and other services as appropriate consider other areas of risk and consideration of further possible work. This may include issues arising from the Council's completion of the NHS Information Governance Toolkit. Consideration will also be given to practice in relation to data sharing agreements with other authorities.

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 relevant services, it is planned that at least 14 school audits will be undertaken, which will include two follow-up audit reviews. 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, including Finance, 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, data quality, performance monitoring, information governance and other risks 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):

- Reviews included in the 2019/20 Internal Audit Plan:
 - Recruitment processes (People) - Considering the adequacy of current administrative processes through the various stages of recruitment.
 - Sale Waterside Arts Centre (Governance and Community Strategy) - Audit review to include coverage of controls in respect of income (box office procedures), expenditure and stock control.
 - Out of Borough Education Placements (Children's Services) - review of administrative processes for monitoring special educational needs placements outside of the borough taking into account new systems in place.
 - Home to School Transport (Children's Services) – review of processes including applications and monitoring of services provided.
 - Development Management (Planning Control) (Place) - including coverage of processes in relation to planning applications and decisions.
 - Tree Unit (Place) – review of processes in place for managing the inspection and maintenance of trees.

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

- Follow up work in respect of previous audit work undertaken in 2018/19 will be completed. This will include the following audit review:
 - Aids and Adaptations (Adult Services).
- A number of other audit reviews completed in 2018/19 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 where audits had previously been undertaken with reports issued in 2018/19:
 - Environmental Health (Place)
 - Pest Control (Place)

- Client Finances system (Finance and Systems/Adult Services)
 - Registration Service (Governance and Community Strategy)
 - Old Trafford Library (Governance and Community Strategy)
 - Trafford Town Hall Restaurant (People)
- In agreement with respective Directorates, some reviews have been rescheduled from commencing in 2018/19 to be included in the 2019/20 Plan. These are as follows:
- Flixton House (People) - The audit was originally delayed due to refurbishment at Flixton House and it was agreed to be included in the 2019/20 Plan.
 - Music Service (People) - The audit was agreed to be rescheduled given the introduction of a new administration system in early 2019.
 - Planning Enforcement (Place) - It was agreed to reschedule this review to 2019/20 given recent staffing changes.
- There will also be time allocated for the commencement or completion of any other work expected to not be completed by the end of March 2019. This will be reflected in the 2018/19 Annual Head of Internal Audit Report. This will include the following list of audit reviews previously detailed in the 2018/19 Internal Audit Plan:
- Licensing (Place)
 - Statutory Homelessness Services (Place)
 - Strategic Growth Team (Place)
 - Section 17 Payments (Children's Services)
 - Altrincham Library (Governance and Community Strategy)

Where applicable, time will also be set aside to work with relevant services to follow up further on other areas of risk previously raised and also there will be time set aside to review other potential risk areas as raised through 2019/20.

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.

There will be a requirement for Audit input to sign off the 2018/19 grant claim in respect of the Disabled Facilities Grant by 31st October 2019 and submit to the Ministry of Housing, Communities and Local Government.

Similarly, there is a requirement for Audit input to sign off the 2018/19 Local Transport Capital Block Funding grant claim by 30 September 2019 and submit to the Department for Transport.

Time will also be allocated to continue to provide assurance in respect of the Council's Stronger Families programme. Work to be completed will be agreed in liaison with the Greater Manchester Combined Authority.

Audit will be notified of other grant claims and 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, control and risk 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. It may include, for instance, support and advice as part of project groups or liaison with services in respect of the development of new systems, processes and associated controls.

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.

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.

2019/20 Operational Audit Plan – Allocation in Days

Appendix 1

<u>Category</u>	<u>Details</u>	<u>Impact of Audit and Assurance’s work</u>	<u>Planned Days</u> (Profiled by each quarter of year – Q1/Q2/Q3/Q4)
Fundamental Systems	<p>Coverage, includes audits of fundamental financial systems reviews as described in section 5.2:</p> <p>Advice in relation to consideration of new systems.</p> <p>Audit Opinion Reports to be issued as listed in Appendix 2.</p>	<p>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.</p>	<p>180 (35/65/40/40)</p>
Governance	<p>Coverage as described in section 5.3:</p> <p>Corporate Governance / AGS - to provide support and advice to Legal and Democratic Services. Complete a review of the content of the draft AGS with reference to the CIPFA/SOLACE Governance framework and guidance.</p> <p>Gifts and hospitality follow-up audit review.</p> <p>Advice / assurance in respect of governance issues.</p>	<p>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.</p> <p>The Annual Governance Statement provides assurance to the public on the effectiveness of governance arrangements and enables the establishment of corporate improvement priorities.</p>	<p>25 (8/7/5/5)</p>
Corporate Risk Management	<p>Coverage as described in section 5.4. Includes:</p> <p>Facilitating the updating of the Council’s</p>	<p>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</p>	<p>30 (5/7/7/11)</p>

	<p>strategic risk register.</p> <p>Actions to support the Council's Risk Management Strategy including provision of guidance, independent review of existing risk management arrangements and, where applicable, recommend areas for development.</p> <p>Follow-up audit of business continuity management arrangements.</p>	<p>Council in evidencing good practice undertaken when subject to inspection and review.</p>	
<p>Anti-Fraud & Corruption</p>	<p>Coverage as described in section 5.5:</p> <p>Co-ordinate the Council's activity in respect of the National Fraud Initiative ensuring work completed across services in investigating data matches is progressed in accordance with Cabinet Office requirements.</p> <p>Contributing to Investigations of referred cases of suspected theft, fraud or corruption.</p> <p>Other work to support the Anti-Fraud and Corruption Strategy, including where applicable working with other relevant services to review existing policies and guidance supporting the overarching strategy.</p>	<p>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.</p>	<p>80 (20/20/20/20)</p>
<p>Procurement / Contracts / Value for money</p>	<p>Coverage as described in section 5.6:</p> <p>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).</p>	<p>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.</p>	<p>80 (10/15/15/40)</p>

	Audit Opinion Reports to be issued as listed in Appendix 2.		
Information Governance / Information, Communications and Technology	<p>Coverage as described in section 5.7:</p> <p>ICT Audit reviews and advice conducted by Salford Internal Audit Services.</p> <p>ICT related investigations where applicable.</p> <p>Information Governance audit reviews</p> <p>Audit Opinion Reports to be issued as listed in Appendix 2.</p>	<p>Specialised technical advice and assurance on the adequacy of controls surrounding ICT systems.</p> <p>Assurance to managers who place significant reliance on ICT systems for the delivery of services.</p> <p>Contribution to the review and further development of the Council's information governance arrangements.</p>	<p>90 (20/25/15/30)</p>
Schools	<p>Coverage as described in section 5.8:</p> <p>Providing assurance on the control environment within schools, supporting schools in ensuring awareness of requirements within the DfE Schools' Financial Value Standard.</p> <p>Audit reviews of schools – at least 14 school audit visits to be undertaken during the year.</p> <p>Planned audits to date are listed in Appendix 2.</p>	<p>Supports improvements in standards of governance and control in schools and supports process to enable achievement of standards set by the DfE.</p>	<p>180 (62/24/63/31)</p>
Assurance – Other Business Risks	<p>Coverage as described in section 5.9:</p> <p>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:</p>	<p>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.</p>	<p>235 (28/50/57/100)</p>

	<p>- Audit reviews - Follow up reviews including further audits and gaining assurance from service updates.</p> <p>Audit Opinion Reports to be issued as listed in Appendix 2.</p>		
Grant claims checks / Data Quality	<p>Coverage as described in section 5.10:</p> <p>Internal audit checks of grant claims / statutory returns and other data quality checks as required:</p> <p>Audit and Assurance to be advised through the year of grant claims, review work and other returns to be checked/signed off.</p>	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.	<p>30 (5/10/10/5)</p>
Service Advice / Projects	<p>Coverage as described in section 5.11:</p> <p>General advice and guidance, both corporately and across individual service areas.</p> <p>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;</p>	<p>Support to services, groups, project teams etc. around the relevance and application of corporate policies, procedure rules and good governance arrangements.</p> <p>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.</p>	<p>70 (17/17/18/18)</p>
		Total Allocated Days	<p>1000 (210/240/250/300)</p>
		Contingency (To cover additional / unexpected work and any unexpected reductions in available staff days).	75
		Total Planned Days	1075
		Available Days	1075
		Surplus/Deficit for Year	0

2019/20 Internal Audit Plan – Audit Opinion Reports

Category	Audit Opinion Reports
Fundamental Systems	<ul style="list-style-type: none"> - Liquid Logic/ContrOCC – Children’s Social Care Payments System (Children’s Services)* - Accounts Payable (Finance and Systems) - Treasury Management (Finance and Systems) - Council Tax (Finance and Systems) - Business Rates (Finance and Systems) - Housing Benefits / Council Tax Reduction (Finance and Systems) - Accounts Receivable / Debt Recovery (Finance and Systems) - Budgetary Control (Finance and Systems/Authority-wide) - Payroll (People) - Direct Payments (Adult Services) - Liquid Logic/ContrOCC – Adult Social Care Payments System (Adult Services) - Direct Payments (Children’s Services)
Governance	<ul style="list-style-type: none"> - Gifts and hospitality follow-up audit review (Governance and Community Strategy/Authority-wide)
Risk Management	<ul style="list-style-type: none"> - Business Continuity Management follow-up audit (Authority-wide)
Procurement / Contracts / Value for money	<ul style="list-style-type: none"> - STAR Performance management (STAR Authorities – Stockport lead) (Finance and Systems) - Social Value in Procurement (STAR authorities – Trafford lead) (Finance and Systems) - New vendor requests (STAR Authorities – Rochdale lead) (Finance and Systems) - One Trafford Partnership – contract monitoring (Place) - Commissioning of children’s external residential placements (Children’s Services) <p>(Any further planned work re procurement / commissioning to be determined during the year.)</p>
Information Governance / ICT Audit	<ul style="list-style-type: none"> - Cyber Security (Finance and Systems) - HR/Payroll IT system follow-up audit (People / Finance and Systems) - IT Service Management (Finance and Systems) - IT Service desk follow-up (Finance and Systems) - Software Licensing - follow up (Finance and Systems)

	<ul style="list-style-type: none"> - Subject Access Requests (Governance and Community Strategy / Authority-Wide) - Data breaches follow-up audit (Governance and Community Strategy/Authority-Wide)
Schools	<p>14 Opinion Reports to be issued. The full list of school audit reports to be issued will be confirmed through 2019/20 and listed in updates through the year. To include reports to be issued for the following schools:</p> <ul style="list-style-type: none"> - Delamere School (visit booked March 2019)* - English Martyrs' RC Primary School (2018/19 follow-up audit visit rescheduled - visit booked April 2019)* - Stretford High School (visit booked April 2019)* - St. Matthew's CE Primary School (visit booked June 2019) - The Firs Primary School (follow-up audit) - 9 other schools audit reports to be issued in 2019/20.
Assurance – Other Business Risks	<ul style="list-style-type: none"> - Licensing (Place) * - Statutory Homelessness Services (Place) * - Section 17 Payments (Children's Services) * - Planning Enforcement (Place) - Development Management (Planning Control) (Place) - Strategic Growth Team (Place) - Tree Unit (Place) - Altrincham Library (Governance and Community Strategy) - Sale Waterside Arts Centre (Governance and Community Strategy) - Flixton House (People) - Music Service (People) - Recruitment Processes (People) - Out of Borough Education Placements (Children's Services) - Home to School Transport (Children's Services) - Aids and Adaptations (Adult Services)
Data Quality	<ul style="list-style-type: none"> - Stronger Families Programme (Children's Services)

*Denotes reviews where audit reports are expected to be issued in Quarter One of 2019/20, which includes some reviews carried forward from 2018/19. 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 38 of the above reports is planned to be issued during 2019/20 with remaining reports for reviews to have commenced in 2019/20 to be issued in the following year – target excludes reports issued by other STAR partners).

In addition, there may be other audit opinion reports issued in addition to the above which may relate to audit coverage described in Section 5 of this report or relating to other issues arising during the year.

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.