



Agenda item
No:

7

HERTFORDSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

26 MARCH 2018 AT 10.00 AM

2018/19 INTERNAL AUDIT PLAN REPORT

Report of the Director of Resources

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Recommendation:

Committee Members are recommended to
approve the proposed Hertfordshire County
Council Internal Audit Plan for 2018/19

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1. Introduction and Background

Purpose of Report

- 1.1 To provide Members with the proposed Hertfordshire County Council 2018/19 Internal Audit Plan.

Background

- 1.2 The Internal Audit Plan sets out the programme of internal audit work for the year ahead and forms part of the Council's wider assurance framework. It supports the requirement to produce an audit opinion on the overall internal control environment of the Council, as well as a judgement on the robustness of risk management and governance arrangements as contained in the Head of Internal Audit annual report.
- 1.3 The Shared Internal Audit Service (SIAS) Audit Charter which was presented to the June 2017 meeting of this Committee, shows how the Council and SIAS work together to provide a modern and effective internal audit service. This approach complies with the requirements of the United Kingdom Public Sector Internal Audit Standards (PSIAS) which came into effect on 1 April 2013. An updated version of the SIAS Audit Charter will be brought to the first meeting of the Audit Committee on 15 May 2018.
- 1.4 The PSIAS require that the audit plan incorporates or is linked to a strategic or high-level statement which:
- Outlines how the service will be developed in accordance with the internal audit charter
 - Details how the internal audit plan will be delivered
 - Evidences how the service links to organisational objectives and priorities
- 1.5 Section 2 of this report details how SIAS complies with this requirement.

2. Audit Planning Process

Planning Principles

- 2.1 SIAS audit planning is underpinned by the following principles:
- a) Focus of assurance effort on the Council's key issues, obligations, outcomes and objectives, critical business processes and projects and principal risks. This approach ensures coverage of both strategic and key operational issues.
 - b) Maintenance of an up-to-date awareness of the impact of the external and internal environment on the Council's control arrangements.
 - c) Use of a risk assessment methodology to determine priorities for audit coverage based, as far as possible, on management's view of risk.
 - d) Dialogue and consultation with key stakeholders to ensure an appropriate balance of assurance needs. This approach includes recognition that in a resource constrained environment, all needs cannot be met.
 - e) Identification of responsibilities where services are delivered in partnership.

- f) In-built flexibility to ensure that new risks and issues are accommodated as they emerge.
- g) Capacity to deliver key commitments including work undertaken on behalf of External Audit and governance work.
- h) Capacity to respond to management requests for assistance with special investigations, consultancy and other forms of advice.

Approach to Planning

- 2.2 In order to comply with the requirements of the PSIAS, SIAS adopts a standard approach and methodology across all SIAS partners. This methodology contains the following elements:

Local and National Horizon Scanning

SIAS reviews, on an ongoing basis:

- key committee reports at each client and identifies emerging risks and issues
- the professional and national press for risks and issues emerging at national level

Consideration of risk management arrangements

SIAS assesses the risk maturity of the Council and based on this assessment, determines the extent to which information contained within the Council's risk register informs the identification of potential audit areas.

Confirmation of the Council's objectives and priorities

SIAS confirms the current objectives and priorities of the Council and uses this information to confirm that identified auditable areas will provide assurance on areas directly linked to the achievement of the Council's objectives and priorities.

- 2.3 The approach to audit planning for 2018/19 has been characterised by:

- a) Detailed discussions with Directorate Boards and the Council's Section 151 Officer to confirm auditable areas and elicit high level detail of the scope of audits. This process incorporates the following four steps to assist in the later prioritisation of projects:

Risk Assessment

Directorate Boards and SIAS agree the level of risk associated with an identified auditable area.

Other sources of Assurance

Directorate Boards confirm if assurance in the auditable area is obtained from other assurance providers e.g. External Audit or the Health and Safety Executive. This approach ensures that provision of assurance is not duplicated.

Significance

Directorate Boards and SIAS assess how significant the auditable area is in terms of the achievement of corporate or service objectives and priorities.

Timings

Directorate Boards have identified when an audit should be undertaken to add most value.

- b) Proposed plans are based on the information obtained from the planning meetings. A contingency allocation is determined to allow flexibility to respond to in-year changes in organisational risk and priorities. Details of audits that have not been included in the proposed draft plan as a result of resource limitations are reported to senior management and the Audit Committee.
 - c) The proposed 2018/19 plans for all SIAS partner councils are then scrutinised and cross-partner audits highlighted.
 - d) Proposed draft plans are presented to Directorate Boards for discussion and agreement.
 - e) The consolidated draft audit plan is presented to the Council's Section 151 Officer for final comment and agreement.
 - f) The plan is shared with the External Auditor.
- 2.4 This approach ensures that our work gives assurance on what is important and those areas of highest risk and thus assists the Council in achieving its objectives.

The Planning Context

- 2.5 The context within which local authorities provide their services remains challenging:
- Austere public finances are likely to continue into the next decade, meaning that previous expenditure levels are not sustainable and public leaders expect serious financial difficulty ahead.
 - Demand continues to rise, driven by complex needs, an ageing population and higher service expectations from citizens.
 - Technology ranging from use of mobile devices and applications to predictive analytics is now key to service delivery and offers opportunities along with significant risks.
 - Major, national programmes in areas like welfare reform and business rate reform, and increased reliance on partnership working and joint funding with Clinical Commissioning Groups and Local Enterprise Partnerships mean the environment has been relatively unstable.
 - Recent high profile failures or difficulties experienced by external service providers increases the importance of contract and financial solvency monitoring, as well as robust business continuity planning.

2.6 The resultant efficiency and transformation programmes that councils are continuing to implement and develop are profoundly altering each organisation's nature. Such developments are accompanied by potentially significant governance, risk management and internal control change.

2.7 The challenge of giving value in this context, means that Internal Audit needs to:

- Meet its core responsibilities, which are to provide appropriate assurance to Members and senior management on the effectiveness of governance, risk management and control arrangements in delivering the achievement of Council objectives.
- Identify and focus its effort on areas of significance and risk, assisting the organisation in managing change effectively, and ensuring that core controls remain effective.
- Give assurance which covers the control environment in relation to new developments, using the most appropriate audit approach such as 'control risk self-assessments' or 'continuous assurance' where appropriate.
- Retain flexibility in the audit plan and ensure the plan remains current and relevant as the financial year progresses.

Internal Audit Plan 2018/19

2.8 The draft plan for 2018/19 is included at Appendix A and contains a high level proposed outline scope for each audit and a suggested month for delivery.

2.9 The table below shows the estimated allocation of the total annual number of purchased audit days for the year.

Purchased audit days	2018-19	2018-19 %
Key Financial Systems	135	9
Operational audits		
Resources	135	9
Health and Community Services	115	8
Environment	55	4
Children's Services	80	5
Public Health	15	1
Community Protection	40	3
Cross-Service	40	3
Council Wide	135	9
Carry forward work 17/18	45	3
Grants	34	2
Joint Reviews	5	0.5
Shared Learning	5	0.5
Governance	23	1.5
IT Audits	30	2
Strategic Support*	164	11
Contingency	72	5
Schools	345	23.5
Total allocated days	1473	100%

* This covers supporting the Audit Committee, managing the delivery of the audit plan, planning for 2019/20, service development, supporting the SIAS Board and External Audit liaison.

- 2.10 Following a review by the SIAS Board (attended by the Council's S151 Officer), all partners agreed to reduce their existing audit plans by 10%, thereby allowing cashable savings to be achieved. This represents a total reduction in the Hertfordshire County Council Internal Plan from 1637 days to 1473 days, a reduction of 164 days. A significant proportion of this reduction has been achieved through reducing strategic support activities (43 days), support and advice (20 days) and Key Financial Systems audits (25 days).
- 2.11 Actual start dates will be confirmed with management for all audits by the end of April 2018. This will help smooth delivery of the plan across the year, give regular assurance to the Committee, and raise awareness of the timing of the reviews to support partnership working between the Council and SIAS. Also included is a reserve list detailing audits which may feature in the event that an audit in the main plan cannot be conducted. Plan changes are brought before this Committee for approval.
- 2.12 Members will note the inclusion within Appendix A of a provision for the completion of projects that relate to 2017/18. The structure of Internal Audit's programme of work is such that full completion of every aspect of the work in an annual plan is not always possible; especially given the high dependence on client officers during a period where there are competing draws on their time e.g. year-end closure procedures.
- 2.13 The nature of assurance work is such that enough activity must have been completed in the financial year for the Head of Assurance to give an overall opinion on the Authority's internal control environment. In general, the tasks associated with the total completion of the plan, which includes the finalisation of all reports and negotiation of the appropriate level of agreed mitigations, is not something that adversely affects delivery of the overall opinion. The impact of any outstanding work is monitored closely during the final quarter by SIAS in conjunction with the Section 151 Officer.
- 2.14 In order to achieve an appropriate balance of assurance needs within the audit resources available, the audits shown at Appendix B were excluded from the 2018/19 proposed audit plan based on an assessment of risk by senior management and SIAS. These audits will be revisited throughout 2018/19 should audit resources become available or the risk profile of an audit change which requires it to be substituted into the 2018/19 plan. This committee will be notified of such changes through the update report process. Those audits that remain undelivered at the year-end will be reassessed for inclusion in the 2019/20 audit plan.

Internal Audit Plan 2019/20

- 2.15 During audit planning discussions with senior managers, areas were also identified as potential audits for 2019/20 and these will be formally risk assessed for inclusion in the 2019/20 audit plan as part of the planning process for that year. Appendix C of this report includes areas identified for carry forward to the 2019/20 Audit Planning Process.

3. Performance Management

Update Reporting

- 3.1 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan. Progress against the agreed plan for 2018/19 and any proposed changes will be reported to this Committee four times in the 2018/19 civic year.
- 3.2 The implementation of agreed high priority recommendations will be monitored by Internal Audit and progress will be reported to this Committee as part of the update reporting process.

Performance Indicators

- 3.3 Annual performance indicators were originally approved at the SIAS Board which continues to review them annually. Details of the targets set for 2018/19 are shown in the table below. Actual performance against target will be included in the update reports to this Committee.

Performance Indicator	Performance Target
1. Planned Days percentage of actual billable days against planned chargeable days completed	95%
2. Planned Projects percentage of actual completed projects to draft report stage against planned completed projects	95%
3. Client Satisfaction percentage of client satisfaction questionnaires returned at 'satisfactory' level	100%
4. Number of High Priority Audit Recommendations agreed	95%
5. External Auditor Satisfaction	External Auditors are able to rely upon the range and quality of SIAS' work
6. Annual Plan	Presented to the March meeting

	of each Audit Committee. Or if there is no March meeting, then presented to the first meeting of the new financial year
7. Head of Assurance's Annual Report	Presented to the first meeting of each Audit Committee in the new financial year.

Proposed HCC Audit Plan 2018/19

APPENDIX A

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
CORPORATE			
Annual Governance Statement 2016-17	8	Q1	Review the Council's governance arrangements and support the development of the 2017/18 AGS
Annual Governance Statement 2017-18	5	Q4	Preparation for the development of the 2018/19 AGS
Head of Assurance Annual Opinion and Annual Report	5	Q1	Provide the annual report and deliver the opinion on the Council's control environment
Whistleblowing - named contact and quarterly review	5	Through Year	Act as a named contact for whistleblowing matters; attend quarterly case review meetings
RESOURCES			
Resources Queries < 3hrs Activities	5	Through Year	Advice and support as required throughout year.
HBS			
HBS - Strategic and Financial Planning	15	Q3 / Q4	To provide assurance that HBS has a robust approach to strategic and financial planning, with this demonstrating a "commercial" approach and sufficiently aligning to income contribution targets for the service.
Finance			
Pensions - Administration	20	Q3	Annual Key Financial Systems Audit
Payroll	20	Q3	Annual Key Financial Systems Audit
Debtors	20	Q3	Annual Key Financial Systems Audit
Creditors	20	Q3	Annual Key Financial Systems Audit

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
General Ledger	20	Q3	Annual Key Financial Systems Audit
Treasury Management	15	Q4	Annual Key Financial Systems Audit
Systems Access (SAP)	20	Q3 / Q4	To provide assurance that an appropriate internal control environment is in place to manage new user requests to the system, removing leavers and system owner oversight. In addition the audit will ensure that user profiles (and their subsequent allocation) maintain an adequate segregation of duties within the system.
Local Enterprise Partnership (LEP)	15	Q4	To provide assurance that previous audit recommendations from the 2017-18 review of the LEP have been implemented. In addition, the audit will review the project governance process, specifically the project approval; monitoring and payment processes to provide assurance that projects meet key outcomes and deliver value for money.
Property			
Carbon Reduction Commitment	15	Q1	Annual assurance review on the Council's CRC return (prior to submission) to meet Environment Agency requirements.
Residential Accommodation (Use by Council / 3 rd Party Staff)	15	Q2	To provide assurance that an appropriate control framework is in place to govern instances where HCC or other third party provider staff are provided residential accommodation in HCC owned property. The review would include assurance on areas such as existence of appropriate licence / tenancy agreements, robust assessment of eligibility for accommodation, record keeping, invoicing (where contributions are required) and maintenance / repair obligations during and at the end of tenancy.
Property and Estate Management	20	Q2 / Q3	To provide assurance that the control measures to support the management of the Council's Property and Land Estate are in place and operating effectively. The review will include key areas

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
			such as identification and completion of statutory health and safety checks, accuracy and completeness of the property database (to record planned maintenance due and completed) and the operation of the Permit to Work system.
Technology (IT Audits)			
ICT Maintenance	20	Q3	To provide assurance that a sufficiently robust control environment is in place in relation to ICT hardware and software maintenance.
Cyber Security (follow up review)	10	Q3	Following the completion of an audit on Cyber Security in 2017-18, this review will provide assurance that agreed control improvements have been implemented and embedded.
Assurance Services			
Health and Safety	15	Q3 / Q4	To provide assurance that the Council has appropriate controls in place to meet its statutory obligations under the Health and Safety at Work Act 1974 and associated legislation; in particular the audit will cover the requirements of performing the function of the 'competent person' for health and safety within HCC and the effectiveness of the monitoring and advisory role on health and safety issues, including the process in place for escalation of matters for concern.
Risk Management	15	Q2 / Q3	To provide assurance that Council has an effective approach to embedding Risk Management at all levels of the organisation. In addition, assurance will be provided over the effectiveness of the processes that ensure that the risks and the mitigations designed to address them are effectively challenged, and that the escalation of departmental risks to corporate risk status is universally applied.

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
Human Resources			
Sickness Management and Occupational Health	20	Q4	To provide assurance that the Council's sickness policies are being applied correctly by managers, with MSS prompts for Health Reviews being acted upon promptly. The audit would also provide assurance that, where required, occupational health referrals are progressed by the 3 rd party provider in line with the agreed service specifications.
COUNCIL-WIDE REVIEWS			
General Data Protection Regulations (GDPR)	25	Q4	To provide assurance that the Council has implemented sufficiently robust systems, processes and guidance in relation to GDPR and that these are being complied with by a sample of Service Areas (the audit will include key supporting areas, critical to supporting GDPR compliance such as IT Asset Register and Public Services Network Accreditation).
Employment Status (IR35)	25	Q1 / Q2	To provide assurance that the Council has appropriate systems and process in place to comply with IR35 and the general determination of employed vs self-employed status. This would include an assessment of the work undertaken by HR and Finance to identify existing contractors who may fall into the remit of IR35.
Financial Solvency Monitoring and Business Continuity Arrangements – 3 rd Party Contractors	20	Q2	To provide assurance the Council has appropriate systems in place to monitor the financial solvency of key 3 rd party service providers, as well as maintaining robust business continuity plans to manage unforeseen provider failures.
Debt Management	25	Q4	To provide assurance that an appropriate internal control environment is maintained in relation to debt management, including the existence of clear policies, defining of roles and responsibilities, timely completion of recovery actions, appropriate management oversight and that all reasonable actions have been

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
			undertaken prior to the decision to write off debts.
Lone Working	20	Q1 / Q2	To provide assurance that appropriate policies, procedures and training are in place and applied by teams to safeguard employees who are required to work alone.
Partnership Funding	20	Q4	To provide assurance over the use of partnership funded services / activities across the Council, focusing on the robustness of partnership agreements, exit plans and contingency plans in the event of withdrawal of funding.
CROSS-SERVICE REVIEWS			
Complaints Management (CS and ACS)	20	Q3	To provide assurance that Children's Services and Adult Care Services have a robust framework in place to manage complaints in a timely manner, meet corporate / service policies in relation to the handling of the complaint and use outcomes from complaints received to lever continuous improvement of services.
Section 106 (Environment and Resources)	20	Q2	To provide assurance that the Council has appropriate systems in place to identify and secure S106 contributions available from developers and that systems are in place to ensure that S106 funding received by the Council is used in a timely basis and for appropriate purposes.
ADULT CARE SERVICES			
Quality Assurance and Practice Audits	20	Q1	To provide assurance that robust arrangements are in place to assess the quality of practice within ACS service areas, including the systems to share good practice or learning points across the service.
Budget Recovery and Efficiency Plans	20	Q1 / Q2	To provide assurance that appropriate governance systems exist in relation to budget recovery and efficiency plans. In addition to review the accuracy and relevance of financial information to

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
			support monitoring and finally to provide assurance that recovery / efficiency plans are on track in relation to programmed activities / targets.
ACS Workforce Strategy	15	Q2	To provide assurance that the ACS workforce strategy for both the internal and external workforce is supported by an appropriate control environment to maximise the likelihood of success. This will include the existence of robust governance arrangements, clear plans, appropriate management information and that appropriate contingency arrangements are in place to manage workforce shortages.
Home Improvement Agency	15	Q2 / Q3	To provide assurance that a robust internal control framework is in place to support the delivery of activities and outcomes of the Home Improvement Agency
Specialist Care at Home	20	Q2 / Q3	To provide assurance that effective contract monitoring processes are in place to monitor the effectiveness of delivery of this key activity.
Safeguarding	20	Q3 / Q4	To provide assurance that appropriate governance and monitoring arrangements are in place in relation to safeguarding. This will include the independent file review process, learning and development (in line with any recommendations from the HASB), operational management oversight of safeguarding procedures / action plans, Senior Management oversight arrangements and performance reporting.
ACS Queries < 3hrs Activities	5	Through Year	Advice and Support throughout year.
ENVIRONMENT SERVICES			
Fly Tipping	15	Q2	To provide assurance that appropriate partnership working arrangements are in place with District and Borough Councils to ensure that the Council's complies with it's statutory

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
			responsibilities. This will include areas such as joint working agreements / understanding.
Tree Management	20	Q4	To follow up the previous Tree Management Audit undertaken in 2015-16 to provide assurance that agreed management actions have been implemented and embedded into operating practice.
Enforcement	15	Q3	To provide assurance that HCC has appropriate systems, controls and governance arrangements in place to manage enforcement activities.
ECS Queries <3hrs activities	5	Through Year	Advice and Support throughout year.
CHILDREN'S SERVICES			
GDPR – Electronic Transfer of Sensitive Data (follow up)	20	Q3 / Q4	A follow up review of the 2017-18 Internal Audit (Moderate Assurance) review on GDPR / data protection awareness and training within CS, focused on the electronic transmission of sensitive data. The review will provide assurance that key recommendations have been implemented and have been embedded into business as usual.
Quality Assurance Systems (Consultancy)	5	Q3	To provide assurance that the revised quality assurance framework has been embedded and that this is appropriately used to drive continuous improvement and learning.
School Admissions – Appeals Process	15	Q3 / Q4	To provide assurance that the admissions appeals process operates in accordance with statutory requirements.
Secondary Expansion Programme	15	Q2	To provide assurance over the governance arrangements that support the Secondary Expansion Programme, including providing assurance that the programme is delivering value for money in terms of schemes progressed and that an appropriate strategy is in place to prioritise and secure funding for future projects.

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
HfL – Standard of Commissioned Services	20	Q1 / Q2	For services commissioned by HCC, to provide assurance over the contract management systems in place to ensure that appropriate service levels are maintained and key objectives delivered.
CS Queries <3hrs Activities	5	Through Year	Advice and Support throughout year.
PUBLIC HEALTH			
Public Health LGA – Peer Review Challenge	15	Q4	To provide assurance that the Service has sufficient governance systems in place to monitor the progress of any improvement plans produced as a result of the Peer Challenge. The audit would also provide assurance that actions are only signed off as complete once appropriate evidence has been received to demonstrate they are sufficiently implemented.
COMMUNITY PROTECTION			
Hertfordshire Home Safety Service (HHSS)	15	Q1 / Q2	To provide assurance that an appropriate internal control environment is in place to manage referrals received by HHSS, including a risk assessed approach to prioritising referrals. The audit will also provide assurance that appropriate mechanisms are in place to monitor the performance of the service in terms of meeting agreed targets.
Automatic Fire Alarms (AFAs) and Unwanted Fire Signals (UFS)	15	Q2	To provide assurance that HFRS are applying a consistent approach to investigating false alarms and charging, where appropriate, for such call-outs in line with the agreed policies for AFA's / UFS. The audit could also be expanded to cover the consistency of application of the policies in relation to non-response to perceived false signals.
Sickness Management (also see Council Wide Review)	10	Q3	To review the effectiveness of the new electronic sickness management system (if implemented). The audit will include a review of the effectiveness of sickness management / occupational

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
			health, contingency / workforce planning arrangements (to cover sickness) and also how management information is used to monitor the effectiveness of this area.
SHARED LEARNING			
Shared Learning Newsletters and Summary Themed Reports	5	Through Year	Shared learning newsletter produced at regular intervals during the financial year to highlight key emerging risks and good practice to members of the SIAS Partnership.
Joint Review – Topic to be determined by SIAS Board	5	TBC	A joint audit review conducted across all SIAS partners, with the topic agreed in-year by the SIAS Board Members.
GRANT CLAIMS			
Herts Chief Finance Officers Society	1	Q2	Audit of accounts
Hertfordshire Education Foundation	2	Q4	Audit of accounts
Hertfordshire Charity for Deprived Children	1	Q1	Audit of accounts
Autism Grant	2	Q1	Grant Certification
LEP – Local Growth Fund	3	TBC	Grant Certification
Integrated Structural Maintenance Grant	2	TBC	Grant Certification
Building Better Opportunities Grant	3	TBC	Grant Certification
Disabled Facilities / Home Improvement Agency	5	TBC	Grant Certification
Grants Contingency	15		Time required to cover additional grant certification activities notified in-year

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
OTHER CHARGEABLE			
Monitoring 2018/19 Plan	20	Through Year	Time required to manage delivery of the HCC audit plan
Recommendations Follow-Up - Q1	5	Q1	Follow-up of all HCC high and medium priority recommendations
Recommendations Follow-Up - Q2	5	Q2	
Recommendations Follow-Up - Q3	5	Q3	
Recommendations Follow-Up - Q4	5	Q4	
Client Liaison	15	Through Year	Time required developing and maintaining effective relationships with HCC managers.
Audit Committee Matters & Attendance	20	Through Year	Time required to support the HCC Audit Committee
Audit Planning – 2019/20	20	Q3 / Q4	Undertake planning meetings in respect of the development of the 19/20 HCC audit plan
Performance Data	5	Through Year	Preparation of regular monitoring information required by HCC
External Audit Liaison	2	Through Year	Update meetings with Ernst and Young
Service Plan Activity	25	Through Year	Time required to implement actions in the SIAS Business Plan
SIAS Board Meetings and Preparation	12	Through Year	Time required to support the SIAS Board
Assurance Services – Management Activities	20	Through Year	Management activities, including PMDS, Supervision and general Oversight and Strategic Leadership of the Service.
Public Sector Internal Audit - Self Assessment 2018-19	5	Q4	Completion of the required self-assessment of compliance against the Public Sector Internal Audit Standards.

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
HCC CONTINGENCY	72	Through Year	Time required to cover unanticipated audit requirements
2017/18 PROJECTS REQUIRING COMPLETION	45		Completion of audit activity started in 17/18
SCHOOLS			
Advice, queries and guidance for schools	20	Through Year	Time to respond to queries received from schools
Liaison, awareness raising and training	15	Through Year	Time to attend meetings, provide training and produce information for dissemination to schools and governors
Theme 1 – Schools Financial Value Standard (SFVS)	95	Q1	Sample of 25 schools to be visited to test effectiveness of controls in respect of the SFVS assurance areas
Theme 2 – General Data Protection Regulations (GDPR)	65	Q2	Sample of 15 schools to be visited to test effectiveness of controls in respect of compliance with the GDPR
Theme 3 – IR35	65	Q3 or Q4	Sample of 15 schools to be visited to test effectiveness of controls in respect of compliance with the IR35
SFVS returns process	15	Q1 & Q4	Collation and interpretation of schools' SFVS returns
Follow up of high priority recommendations and schools with moderate assurance	10	Through Year	Reviewing progress in areas where improvement in control is required
Contingency – Schools Causing Concern Referrals	15		Provision of capacity to provide assurance over the adequacy of financial control / governance arrangements for schools where soft concerns have been raised in respect of inappropriate / poor practice or those schools in financial difficulty.

Name of Audit in HCC Plan	Plan Days	Target Quarter	High level scope
Contingency – Academy Conversions	10		Provision of capacity to receive referrals from CS Finance to review the accuracy of a School's financial position and records prior to the Academy conversion process.
Schools' contingency	35		To be used as required
TOTAL HCC AUDIT DAYS 2018/19		1473	

APPENDIX B - HCC Audit Plan 2018/19 – Reserve List

Audit title	Audit Scope
Resources	
Workforce Training	To provide assurance that the Council has appropriate systems in place to determine key training, and that appropriate governance systems are in place to provide assurance that this has been completed by staff.
Invest to Transform	To provide assurance that a robust governance framework exists over the assessment and approval of Invest to Transform bids and a review as to whether envisaged benefits are being derived from the fund as a whole (Total Budget for 2017-18 £17.8m)
Libraries – Expenditure and Banking	To provide assurance that Libraries are complying with financial regulations in relation to the collection, recording and banking of income.
Libraries – Income Generation	To provide assurance that Libraries have appropriate strategies to maximise income generation and have made progress to achieve these. The review will include benchmarking against other Local Authorities to identify any additional opportunities not currently explored.
Equality Impact Assessments	To provide assurance that the Council's approach to EIA's aligns to legislative and good practice requirements and that this is embedded through a review of completed activities.
Integrated Planning Process	To provide assurance that the Council has a robust process in relation to the creation of the Integrated Plan. The review would focus on the "officer" side of the process and would extend to reviewing the systems for consultation with the public on outline proposals.
Property Company (Herts Living Ltd)	Embedded (continuous) assurance in relation to the creation of governance and internal control arrangements, or a specific review of the governance overseeing the operation of the property company.
Transport Infrastructure Assets	Subject to the changes in Transport Infrastructure Asset valuations becoming critical to the Council's final accounts process for 18/19, this review will seek to align with External Audit assurance requirements. Areas to be covered would include, Completeness of Asset Registers and method and accuracy of valuations
Adult Care Services	
Asset Based Community Development	To provide assurance that the Asset Based Community Development approach is being applied within the assessment process and is delivering the envisaged outcomes.

Audit title	Audit Scope
Provider Suspensions	To provide assurance that a clear and transparent process is in place for provider suspensions and this is operated effectively in practice.
External Providers – Assessment and Care Management	To provide assurance that appropriate contract management and quality assessment systems are in place to monitor the performance of 3rd party providers that deliver assessment and care management services.
ACS – Charging Policy	To provide assurance that charges raised to service users for care provided (including financial assessments) are in accordance with the revised Adult Care Services Charging Policy.
Programme / Project Management	To provide assurance over governance arrangements in place for the management of key Programmes and Projects within ACS.
Better Care Fund	To review the current assurance arrangements for the better care fund to ensure that sufficient coverage is provided through both HCC and partner agencies.
Children’s Services	
Corporate Parenting	To provide assurance that the Council is meeting statutory responsibilities and good practice in relation to the role of ‘Corporate Parenting’.
Service Transformation	To provide assurance that key Service Transformation activities have appropriate governance, performance management and quality assurance frameworks in place to maximise the opportunity of perceived benefits being achieved.
Environment	
Fault Reporting Systems (Cat 1 Triage)	To undertake a follow up review on the Category 1 Triage approach (last audited in 2016/17) to provide independent assurance that it continues to deliver the envisaged outcomes.
Schools	
Safe Recruitment	To provide assurance that a sample of 15 schools have appropriate governance and internal control arrangements in place to comply with DfE requirements in relation to the Safe Recruitment of school staff. (Continuation of audit theme undertaken during 2016/17 and 2017/18).

APPENDIX C – Areas Carried Forward to the 2019/20 Internal Audit Planning Process

Audit Title	Audit Scope
Resources	
Budget Monitoring (e-Monitor)	Building on the e-monitor audit undertaken in 2016-17, this review would provide assurance on the robustness of budgetary control systems operated by Budget Managers and Budget Reviewers.
Shared Managed Services Contract	To provide assurance over the contract management arrangements for the SMS Contract. The review will also look to highlight specific areas for consideration during the contract award or operation of future contracts for this area.
Freedom of Information	To provide assurance that FOI requests are handled in accordance with statutory guidance.
Adult Care Services	
Deprivation of Liberty Safeguards (DoLS)	To provide assurance that care management / assessment systems and processes sufficiently incorporate guidance on DoLS and that this has been implemented in practice by fieldcare teams.
Client Finances – Private Sector Providers	To provide assurance, through establishment visits, that external providers have implemented appropriate internal control arrangements to safeguard client monies managed on a service users behalf. The review will extend to a review of the accuracy of financial records, appropriate powers of authority (to act), existence of support / budget plans and appropriateness of expenditure.
Care Act – Information and Advice	The objective of the review would be to assess the progress against the current strategy / delivery plans and confirm that any 3rd party arrangements are working effectively
Children’s Services	
Adoption Services	To provide assurance that appropriate internal control systems are in place to maintain the positive direction of travel in relation to Adoption Services and ensure that placements are made in a timely manner and meet regulatory requirements in terms of vetting.
SEND	To provide assurance that the SEND offer meets good practice guidelines, in particular the Local Offer Website. The audit would also provide assurance that all improvement areas identified in the

Audit Title	Audit Scope
	2016 CQC joint area inspection have been addressed.
Community Protection	
Emergency Response Protocols	To provide assurance that revised emergency response protocols are clearly defined, communicated to relevant officers and have been followed in practice.
HFRS Resilience	To provide assurance on the robustness of the HFRS resilience strategies / plans to manage resources due to unplanned incidents (such as terrorist activity, civil disturbance, large scale wide area flooding, or periods of industrial action). The review would include assessing the level of reliance HFRS currently place on regional or national resources to provide fire cover.
Training	To provide assurance that appropriate governance arrangements, systems, processes and records are in place to provide assurance that HFRS staff have received all required mandatory and service required training. The review would include an assessment as to the processes, and application of such processes, in relation to updating the IPDS system with training performed.
Command and Control – Business Continuity	To provide assurance that an appropriate strategy is in place to maintain the I.T systems that support the command and control call handling centre, with regular tests being undertaken and appropriate contingency arrangements are in place to manage any periods of system downtime.
PREVENT	To provide assurance over the Council's approach to PREVENT, in particular reviewing the effectiveness of governance arrangements, training and collaboration with partners.
Public Health	
Safeguarding	To provide assurance that staff have received adequate training and follow this in practice in relation to the processes for identifying and reporting safeguarding issues during the course of Public Health activities. The review would also provide assurance that systems are in place to log and progress concerns reported and the role of Safeguarding leads.
Communications Strategy	To provide assurance that the Public Health Service has a coherent communications strategy and that this is mirrored within the outward communication provided by the Council via intranet sites or communications provided to (or required by) partner organisations.

Audit Title	Audit Scope
Health Visitors Contract	To provide assurance that appropriate systems for contract management and performance monitoring are in place to reduce the risk of underperformance. The review would include assessing the robustness of Quarterly contract and quality review meetings and operational meetings.
School Nursing Contract	To provide assurance that appropriate governance and contract management processes are in place to monitor the delivery of the service provider and increase the level of assurance that key outcomes will be delivered.
Healthy Child Programme	To provide assurance that appropriate controls have been put in place to assure the quality and safety of the Healthy Child Programme and that appropriate governance arrangements are in place to monitor the adequate performance of this programme.
Schools	
Medium Term Financial Planning	To review the effectiveness of financial planning within a sample of maintained Hertfordshire schools.
Governance Arrangements in Schools	To review the effectiveness of governance arrangements within a sample of maintained Hertfordshire schools.
School Websites – Compliance with the School Information (England) (Amendment) Regulations 2016	To review a sample of websites maintained by Hertfordshire schools to evaluate compliance with school Information Regulations.