

# Audit and Standards Committee

20<sup>th</sup> July 2020

## Internal Audit Plan 2020-21

### 1. Recommendation(s)

The Committee:

1. endorses the proposed plan, and
2. approves the Audit Charter.

### 2. Executive Summary

- 2.1 The Council has a duty to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account relevant auditing standards.
- 2.2 The role of internal audit is primarily to provide reasonable assurance to the organisation and ultimately the taxpayers that the Council maintains an effective control environment that enables them to manage its significant business risks. Internal Audit does this **by providing risk-based and objective assurance, advice and insight**. In addition to providing assurance the audit service also undertakes consultancy and advisory work designed to add value and offer insights that will improve the effectiveness of risk management, control and governance processes e.g. acting as a critical friend when process changes are being developed.
- 2.3 To ensure the best use of limited audit resources audit work needs to be carefully planned. In accordance with best practice the Committee's role is to review and approve the annual internal audit work plan. The plan is developed in consultation with senior managers and takes account of the organisation's aims, strategies, key objectives, associated risks, and risk management processes (as required by internal audit standards). It also takes into account those topics which have not recently been audited or which feature in the corporate risk register or which, when last audited, received a low opinion. Care has been taken to more explicitly link the internal audit plan with critical risks.
- 2.4 At the time when the Audit Plan would usually have been considered by the Audit and Standards Committee the UK suffered the unprecedented impact of the COVID-19 pandemic. As a result the committee meeting was cancelled and working practices and focus in Internal Audit and other services were rapidly adjusted to respond to the virus as it affected Warwickshire County Council.
- 2.5 The COVID impacts include both risks and opportunities and these needed to be reflected in our audit work. The draft Internal Audit Plan 2020-21 has therefore been reviewed and in line with professional guidance it has been

reshaped to enable the Internal Audit service to respond in an agile way to the needs of the Council for assurance. There are new areas of assurance which are already known but also a significant level of uncertainty and exposure to requirements outside the control of the Council which mean that a shorter term planning horizon and constant review of priorities will be required. At the same time there are also assurances which were envisaged in the original plan which remain appropriate. A revised plan has therefore been drafted which is designed to meet the needs of providing appropriate audit assurance coverage whilst maintaining the ability to respond in an agile way to meet emerging requirements.

- 2.6 Based upon the discussions to date and our professional judgement an indicative priority and an estimated number of days has been allocated to each potential topic. This takes into account a range of factors including: when the topic was last audited, complexity of the topic, and the level of change. The list of potential topics arising from the planning process is included in the attached audit plan document (Appendix A) together with those topics we are unable to cover during the year based on existing level of resources. The aim is to give a high-level overview of audit areas. The Committee will note that as in past years whilst we are able to cover key aspects of very high risk areas we are not able to cover lower rated risks. The Committee is able to accept a plan on this basis, provided this matches its “risk appetite” for independent assurance, also recognising that management have the prime accountability for managing processes and risks (and therefore assurances can be obtained directly from them where necessary).
- 2.7 Good practice requires us to recognise that the plan should be responsive to changes in risks during the year and it will therefore be reviewed at intervals throughout the year to ensure it remains relevant.
- 2.8 The Internal Audit function is governed by its Audit Charter, which is a requirement of the Public Sector Internal Audit Standards (PSIAS) and sets out the purpose, authority and responsibility of internal audit. As the Committee will appreciate, it has to be formally agreed and approved by the organisation and periodically reviewed. The Charter establishes the internal audit activity’s position within the organisation, including the nature of the service’s functional reporting relationship; authorises access to records, personnel and physical properties relevant to the performance of engagements and defines the scope of internal audit activities.
- 2.9 In accordance with best practice the existing Audit Charter, which was updated in 2017, has been reviewed and minor changes have been made to ensure it reflects the changes arising from the revised management structure. **(Appendix B)** Apart from jobs titles the material change is in the section on page 6 “Independence”, where having the role of Head of Audit responsible solely for Internal Audit and no longer responsible for Risk Management and Insurance has removed a potential conflict and strengthened independence.

This report will also be considered by Corporate Board and consultation with assistant directors is underway to firm up timing of individual assignments.

### 3. Financial Implications

3.1 None

### 4. Environmental Implications

4.1 The proposed plan includes two audits relating to the environmental agenda, covering flooding and the work emerging from the Member panel on climate change.

### 5. Supporting Information

5.1 Not applicable

### 6. Timescales associated with the decision and next steps

6.1 Not applicable

### Appendices

1. Appendix 1

### Background papers

1. None

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The report was circulated to the following members prior to publication:

# Internal Audit Plan 2020/21

“Providing assurance on the management of risks”



# Internal Audit Plan 2020/21

## “Providing assurance on the management of risks”

This document sets out the Internal Audit Plan 2020/2021 for Warwickshire County Council. These services are provided by the Internal Audit Service of the Resources Directorate. This document complements the Audit Charter and the Council’s Risk Management Framework. In accordance with current best practice the role of the audit committee is to review and approve the internal audit plan.

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### The Role of Internal Audit

All organisations face risks in every aspect of their work: policy making, decision taking, action and implementation, regulation and spending, and making the most of their opportunities. The different types of risk are varied and commonly include financial risks, IT risks, supply chain failure, physical risks to people, and damage to the organisation’s reputation. The key to the Council’s success is to manage these risks effectively.

The Council has a statutory responsibility to have in place arrangements for managing risks; The Accounts and Audit Regulations 2015 state that a local authority is responsible for ensuring that its financial and operational management is effective and that it has a sound system of internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk. The Regulations require accounting systems to include measures to ensure that risk is appropriately managed.



The requirement for an internal audit function is also contained in the Regulations which require the Authority to:

“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 Council has delegated its responsibilities for internal audit to the Strategic Director Resources.

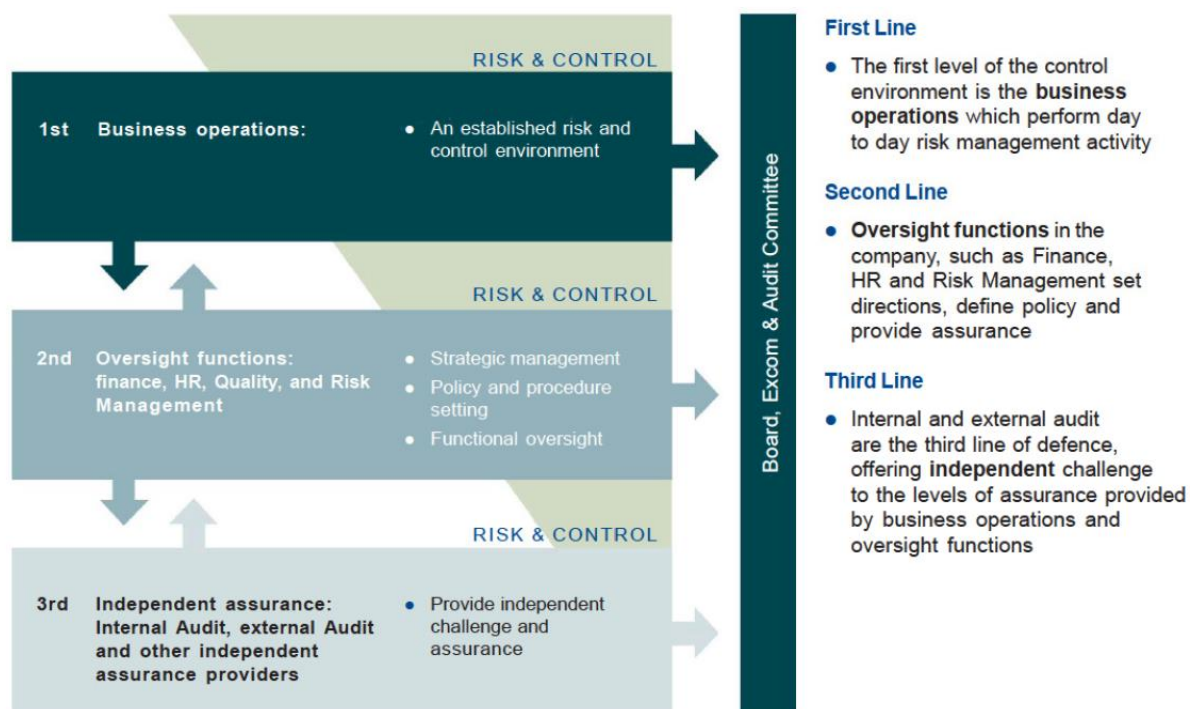
## Definition of Internal Auditing

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

The key word in the definition is assurance, the role of audit is not to identify or investigate alleged irregularities, it is to provide assurance to the organisation (the Chief Executive, strategic directors, assistant directors and the Audit and Standards Committee) and ultimately the taxpayers that the authority maintains an effective control environment that enables it to manage its significant business risks. We do this by **providing risk-based and objective assurance, advice and insight**. The assurance work culminates in an annual opinion on the adequacy of the Authority’s governance, control and risk management processes which feeds into the Annual Governance Statement.

Different parts and levels of an organisation play different roles in managing risk, and the interplay between them determines how effective the organisation as a whole is in dealing with risk. The Institute of Internal Auditors uses a “three lines of defence” model to explain internal audit’s unique role in providing assurance about the controls in place to manage risk. Recognising that effective management involves choosing to take risks as well as defending against negative impacts, perhaps “*Three lines of Assurance*” is a helpful description:

**Figure 1: Three lines of defence (assurance) model**

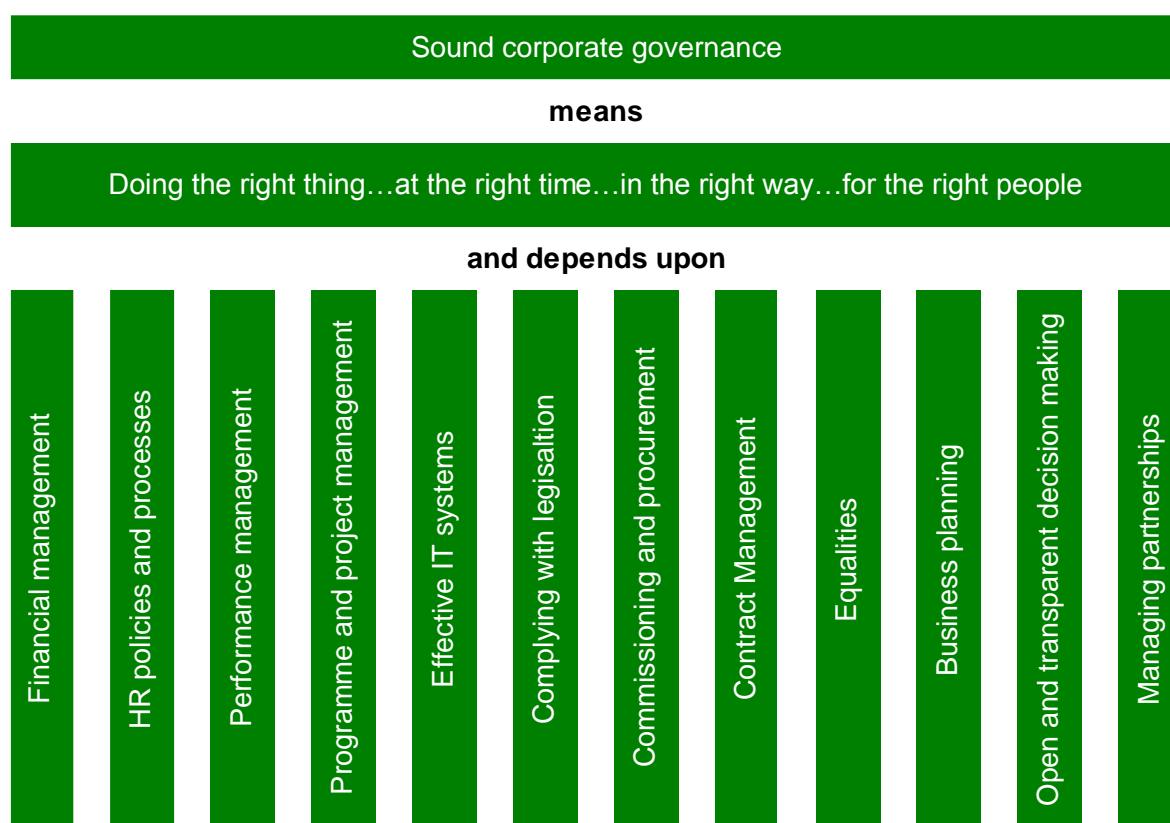


The management of risks is the responsibility of every manager. Sitting outside the processes of the first two lines of assurance, audit's main roles are to ensure that the first two lines are operating effectively and advise how they could be improved.

We develop and then deliver a programme of internal audits to provide independent reasonable assurance to senior management and members that significant risks are being addressed. To do this, we will evaluate the quality of risk management processes, systems of financial and management control and governance processes and report this directly and independently to the most senior level of management. In accordance with regulatory requirements most individual assurance assignments are undertaken using the risk based systems audit approach and are not usually designed to identify potential frauds.

The focus of our work continues to be primarily on the very high risk areas and change programmes and key corporate processes. Audits of this nature are a more effective use of limited resources and are key to providing the appropriate assurance to the Council that its overall governance, control and risk management arrangements remain effective.

**Figure 2: Key corporate processes**



We give an opinion on how much assurance systems give that significant risks are addressed. We use four categories of opinion: Full, Substantial, Moderate and Limited assurance.

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## Vision, purpose and values

A professional, independent and objective internal audit service is one of the key elements of good governance in local government.

As a modern effective risk and assurance service we:

- Act as a catalyst for improvement and provide insight on governance, control and risk management;
- Influence and promote the ethics, behaviour and standards of the organisation;
- Develop a risk aware culture that enables customers to make informed decisions;
- Are forward looking; and
- Continually improve the quality of our services.

A key driver of this strategy is the need to meet all our customers' needs, which in the context of the County Council are the Audit and Standards Committee, Chief Executive, strategic directors and assistant directors.

The County Council will continue to be affected by a variety of local and national issues:

- Funding pressures faced by local government;
- Increased growth in partnerships and collaborations, for example with health, other parts of the public sector and the private sector;
- Ever increasing use of technology to deliver services;
- Flexible working arrangements to make more effective use of accommodation;
- The introduction of new ways for customers and the public to access services; and
- Pressure to reduce the cost of administrative / support functions while improving quality / effectiveness.

These, and other developments, will mean increased pressure on the service to review existing systems and provide advice on new and complex initiatives within reducing resources. We must add value and help deliver innovations in service delivery. To respond to the demands on us we will:

- Continue to develop our staff to ensure we are fully equipped to respond to our customer's demands;
- Continue to invest in modern technology to improve efficiency and effectiveness;
- Add value and make best use of our resources by focussing on key risks facing our customers;
- Increasingly work in partnership with clients to improve controls and performance generally; and
- Continue to buy in specialist help – particularly in IT.



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## Services

In addition to undertaking audits the Service is able to support the organisation by also providing the following services:

### Consultancy

The Council will face major changes in culture, systems and procedures over the coming years and we are able to provide advice on the governance, control and risk implications of these changes. The service will act as a critical friend. Particular emphasis is put on project governance and process design.

Our knowledge of the management of risk enables us to **challenge** current practice, **champion** best practice and be a **catalyst** for improvement, so that the Council as a whole achieves its strategic objectives.

So, for example, when a major new project is being undertaken we can help to ensure that project risks are clearly identified and that controls are put in place to manage them.

It is more constructive for us to advise on design of processes during the currency of a change project rather than identify problems after the event when often it is too late to make a difference and it is possible to use less resource to identify key points than in a standard audit - timely advice adds more value than untimely.

**Challenge**

**Champion**

**Catalyst for  
improvement**

### Irregularities

As a publicly funded organisation the Council must be able to demonstrate the proper use of public funds. It is the responsibility of every manager to have systems in place to prevent and detect irregularities. However, if an irregularity is identified or suspected managers are required to notify the Service and will need professional support to investigate the matter.

All significant investigations will be undertaken by the Service but more minor matters will be referred back to the relevant manager to progress with support from the audit team. The decision on which cases will be investigated will be made by the Internal Audit Manager.

### Counter fraud

Although responsibility for operating sound controls and detecting fraud is the responsibility of management, the Service has a key supporting role. In particular, we are responsible for maintaining and publicising the Council's anti-fraud policy, maintaining records of all frauds and, as a deterrent, publicising proven frauds.

The Service also coordinates the Council's participation in the National Fraud Initiative. Relevant managers are best placed and hence are responsible for

investigating matches identified by the NFI but we do maintain an overview of progress.

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## Plan 2020 / 2021

To ensure the best use of limited audit resources audit work needs to be carefully planned. We have sought to align our work with the Council's risk base again this year, by liaising extensively with senior management and taking into account:

- the overall environment in which the Council has to operate
- its aims, strategies, key objectives, associated risks
- risk management processes, and
- national surveys and intelligence on risk areas along with data on actual frauds at Warwickshire.

Our plan also takes into account those topics which have not recently been audited or which feature in the corporate risk register or which when last audited received a low opinion. In addition, auditors regularly attend various professional networking meetings which highlight the wider issues affecting public sector internal audit which need to be reflected in the programme of work.

### COVID-19 Impact

Since early 2020 the UK has suffered the unprecedented impact of the COVID-19 pandemic. As a result the working practices and focus in Internal Audit and other services were rapidly adjusted to respond to the virus as it affected Warwickshire County Council.

The original draft Internal Audit Plan 2020-21 which was prepared pre- COVID-19 has been reviewed and in line with professional guidance it has been reshaped to enable the Internal Audit service to respond in an agile way to the needs of the Council for assurance. There are new areas of assurance which are already known but also a significant level of uncertainty and exposure to requirements outside the control of the Council which mean that a shorter term planning horizon and constant review of priorities will be required. At the same time there are also assurances which were envisaged in the original plan which remain appropriate. A revised plan has therefore been drafted which is designed to meet the needs of providing appropriate audit assurance coverage whilst maintaining the ability to respond in an agile way to meet emerging requirements.

### General context and key themes

#### International

In addition to the COVID pandemic impacts, the Institute of Internal Auditors has identified a number of key themes through its annual survey of Heads of Audit across the world, which looks at the continuing and emerging areas of risk on which they are having to focus. The latest report, Risk in Focus 2020, identified five Top risks from the survey, as follows:

- Cybersecurity and data security
- Regulatory change and compliance
- Digitalisation, disruptive technology and other innovation
- Outsourcing and supply chain risk
- Business continuity/ resilience

## National

The outlook for Local Government remains demanding with the national economic situation and Brexit transition uncertainty, presenting significant challenges to local government. Mazar's Horizon Scanning review 2020 sets out a large number of on-going challenges and also identified some additional areas for focus in 2020. Those relevant for the county were:

- Special Education Needs and Disability (SEND)
- Outsourcing, supply chains and third-party risk
- Environment and waste
- Liberty protection safeguards

## County Council

These national and international perspectives are reflected in the challenges faced by the county council.

### Financial Risks - Annual Budget and MTFs

From a financial perspective, as the Strategic Director for Resources has stated in the budget report, "the uncertainties of the economic environment, the fact we are awaiting a multi-year Spending Review settlement, the scale of the expenditure reductions required and the growing demands on services, mean that there are significant risks facing the Authority in delivering a balanced budget."

The annual budget report notes that the Budget requires £6.2 million of budget reductions in 2020/21, increasing to £33.3 million by 2025, through better procurement, improvements in efficiency, increased income and delivering reductions in demand.

At the same time there is also a focus on investment with Investment Funds of £20m revenue funding which may be topped up during the five-year period as our finances allow, initially these are directed towards:

- Sustaining Prevention Fund
- Climate Change Fund
- Commercial Fund
- Place Shaping and Capital Investment Feasibility Fund

## Council Plan 2025

These planned investments, along with other investment plans are directed towards delivery of the newly adopted Council Plan 2025.

The Council Plan contains two priority outcomes for achieving the vision “To make Warwickshire the best it can be, sustainable now and for future generations”. These are:

- Warwickshire’s communities and individuals are supported to be safe, healthy and independent; and
- Warwickshire’s economy is vibrant and supported by the right jobs, training, skills and infrastructure

The priorities are supported by “Making the best use of resources” and underpinned by the aim to address the long-term challenge of climate change.



Our risk-based audit planning has a clear focus on supporting delivery of the Council Plan. The detailed audit plan at Annex 2 sets out the work we plan to undertake in 2020-21 to give assurance opinions on the extent to which the risks to delivery of the Council Plan are being managed and mitigated. The Plan is structured around the Priorities, Use of Resources and Climate change.

### Other planning considerations

Our primary customers remain the Chief Executive, strategic directors, assistant directors and the Audit and Standards Committee but we will take into account the views of other managers when refining the scope of audits and will accommodate them as long as requests do not divert us from addressing the core scope as agreed with the Audit and Standards Committee.



Further significant changes in processes and policies are likely during the coming year and internal audit will need to support this work and provide advice on the governance, risk management and control implications of the changes. Whilst providing advice is good practice and an effective use of resources, sufficient audits are required across the Council’s risk profile in order to deliver the annual “Head of

Audit” opinion. Given resourcing levels, advisory work will be targeted on key transformation projects and the Service is unlikely to be able to provide support on more minor matters.

Given the limitations on audit resources there is an increasing need for more reliance to be placed by the Council on second line of defence functions (such as Finance, HR and Procurement) and potentially audit will increasingly need to provide assurance on the effectiveness of those functions especially as budget constraints will inevitably also impact on them and hence on the overall assurance framework. The plan therefore includes more of an emphasis on such functions. We will avoid undertaking roles that are properly the responsibility of the first or second line of defence – these managers need to have sound controls and monitoring systems in place rather than relying on periodic internal audits to provide them with assurance. Assurance that these management functions are being properly discharged will be tested as part of the audit work.

Governance, risk and control issues continue to be an issue at schools with a number of investigations being required or audits resulting in a limited opinion. In general we plan not to do any individual schools audits instead focusing on the arrangements the Council has in place to identify as early as possible, and subsequently support, schools causing concern / in difficulty. Where a potential and significant financial irregularity is suspected at a school, we will investigate but we will not investigate minor suspected irregularities and will expect schools to resolve these, albeit with some support from audit as well as other support functions from across the council including finance and school advisers. Similarly, there is sometimes little value that an audit can add where the Council already knows of issues at a particular school.

### **The detailed plan**

Based upon discussions with senior managers and our professional judgement an indicative priority and an estimated number of days have been allocated to each potential topic. The Council’s strategic risks and the key planned work to provide assurance on these risks are shown in Annex 1. Demonstrating the assurances planned on each strategic risk and being transparent about auditable topics that cannot be audited are key requirements of internal audit professional standards and we therefore adopt a top down approach with the plan being driven by key risks.

The outline plan in Annex 2 shows those topics that we are planning to audit and Annex 3 details an illustrative list of topics that we are not planning to audit. The plan takes into account the resources available within the audit service, risk and other assurance frameworks that exist from which the council can gain assurance.

As in previous years the plan covers one year which is accepted best professional practice. Whilst an indicative timing is included, and a view taken on time required, this is subject to review during the year e.g. when risks change or a specific project becomes a matter of priority or a significant fraud has to be investigated.

In addition to the assurance and advisory work listed provision has been made in our work plan to:

- Undertake investigations,
- Complete outstanding 2019/20 audits, and

- Counter fraud work to maintain counter-fraud policies and to promote and raise the profile of counter fraud messages. Further work is planned to develop a Fraud Risk Register and integrate this into the corporate risk management framework. This work will supplement the Council's on-going participation in the National Fraud Initiative which the internal audit team coordinates.

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## Quality Assurance and Improvement Programme

The Public Sector Internal Audit Standards (PSIAS) require the Internal Audit Manager to develop and maintain a Quality Assurance and Improvement Programme (QAIP) covering all aspects of the internal audit activity.

The QAIP includes internal assessments, periodic self-assessments and external assessments and is not only designed to assess the efficiency and effectiveness of Internal Audits, but also to enable an evaluation of the internal audit activity's conformance with the definition of internal auditing and the PSIAS and an evaluation of whether internal auditors apply the Code of Ethics. We have an Audit Manual based on accepted professional practice which as well as being compliant with PSIAS builds quality into every stage of the audit process. A summary of the QAIP is shown in Annex 4.

**Paul Clarke**  
**Internal Audit Manager**  
**(Head of Internal Audit)**

**July 2020**

## Strategic Risks

Extract from Council's strategic risk register			Independent Assurance Sources		
Risk	Gross Risk Rating	Net Risk Rating	Summary of past Internal Audit coverage	Other sources of assurance	Examples of proposed internal audit role / planned assignments
Government policies, new legislation, austerity measures and demographic pressures present challenges on service delivery.			<ul style="list-style-type: none"> <li>• Programme and project management</li> <li>• Advisory input into transformation projects</li> <li>• S106</li> <li>• Capital Programme</li> <li>• Schools in difficulty</li> <li>• Adult social care – end to end review</li> <li>• Budget management</li> </ul>		<ul style="list-style-type: none"> <li>• Schools financial stability</li> <li>• Liberty protection safeguarding project – new legislation</li> <li>• Procurement and contract management</li> <li>• Asset management</li> </ul>
Continuing pressure on Adult Social Services, Health and Special Educational Needs & Disability provision.			<ul style="list-style-type: none"> <li>• Disability Services</li> <li>• Benefits, Assessments and Income Control</li> <li>• Reablement</li> <li>• Contract management</li> <li>• Commissioning – Quality Review</li> <li>• Domiciliary care</li> </ul>	<p>CQC Inspections</p> <p>Ofsted Inspections</p>	<ul style="list-style-type: none"> <li>• Delivery of outcomes from review of SEND</li> <li>• Community fire safety</li> <li>• Recruitment and retention of foster carers</li> <li>• Blue badge revised legislation</li> <li>• Collection of Adult care contributions by direct debit</li> </ul>

Extract from Council's strategic risk register			Independent Assurance Sources		
Risk	Gross Risk Rating	Net Risk Rating	Summary of past Internal Audit coverage	Other sources of assurance	Examples of proposed internal audit role / planned assignments
			<ul style="list-style-type: none"> <li>• Direct Payments – Adults</li> <li>• Mosaic Advice</li> <li>• SEND</li> <li>• Adult social care – end to end review</li> </ul>		<ul style="list-style-type: none"> <li>• Payments to foster carers and special guardians</li> <li>• Mosaic system provider module implementation</li> </ul>
Failure to adequately safeguard Children and Vulnerable Adults.			<ul style="list-style-type: none"> <li>• Missing children</li> <li>• Links with Health</li> <li>• Contracting – Public Health</li> <li>• Multi Agency Safeguarding Hub (MASH)</li> <li>• Adoption Central England</li> <li>• Asylum Seekers</li> <li>• Case File Recording</li> <li>• Safeguarding arrangements in schools</li> </ul>	<p>CQC Inspections</p> <p>Ofsted Inspections</p>	<ul style="list-style-type: none"> <li>• School safeguarding arrangements</li> <li>• Community fire safety</li> <li>• Management of placement risks</li> <li>• Referral and assessment</li> <li>• Liberty protection safeguarding project</li> <li>• Quality assurance in contract management</li> <li>• Looked After Children</li> </ul>
Failure to maintain the security of our systems and data.			<ul style="list-style-type: none"> <li>• Information governance</li> <li>• Your HR – access control</li> </ul>	PSN Compliance certification	<ul style="list-style-type: none"> <li>• Cyber security</li> <li>• Business continuity</li> <li>• CRM replacement</li> <li>• Information governance</li> </ul>



Extract from Council's strategic risk register			Independent Assurance Sources		
Risk	Gross Risk Rating	Net Risk Rating	Summary of past Internal Audit coverage	Other sources of assurance	Examples of proposed internal audit role / planned assignments
Inability to secure economic growth in Warwickshire.			<ul style="list-style-type: none"> <li>Economic development and growth</li> <li>Railway Contracts</li> </ul>		<ul style="list-style-type: none"> <li>Capital schemes – end to end review</li> <li>Project management</li> <li>Commercial strategy</li> </ul>
Inability to keep our communities safe from harm.			<ul style="list-style-type: none"> <li>Highways</li> <li>Emergency Planning</li> <li>Business Continuity</li> </ul>	HMICFRS inspection	<ul style="list-style-type: none"> <li>Community fire safety</li> <li>School safeguarding</li> </ul>
The Transformation Programme does not deliver the pace and extent of change required to meet high priority OOPS targets and deliver strategic priorities.			<ul style="list-style-type: none"> <li>Programme and project management</li> <li>Advisory input into transformation projects</li> <li>Budget management</li> <li>Strategic financial and business planning</li> <li>Various financial systems</li> </ul>		<ul style="list-style-type: none"> <li>Transformation/ Change - Delivery of benefits</li> <li>Performance management</li> </ul>

Planned Work 2020/21

Responding to COVID-19

Directorate	Service	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Timing (Qtr)
Council-wide	Council-wide	<p>COVID Grants</p> <p>Control and process changes</p> <p>Workforce implications</p> <p>Financial Impact – Income and expenditure</p> <p>Supply chain</p>	<p>Requirement to meet grant conditions.</p> <p>Amended processes to meet Covid needs may impact on controls.</p> <p>Short term changes in working practices and longer term opportunities</p> <p>Significant changes in patterns of spending and income with impacts on future service, budgetary control and financial planning.</p> <p>Increased supplier instability risk and cost impact of COVID-19 working requirements</p>	<p>During the period of COVID impact we have been providing governance, risk management and control advisory support. This will continue, whilst additional work will also be required to provide independent assurance around grant expenditure and the application of new systems and controls once they have been set up.</p> <p>Retrospective assurance work to assess and investigate possible fraud and irregularities is also likely and provision for this has been included in the planning assumptions.</p>	1-4

**Council Plan Priority Outcome:**



**Warwickshire's communities and individuals are supported to be safe, healthy and independent**

Directorate	Service	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Timing (Qtr)
Communities	Education	SEND - actions plan implementation	National challenge around high needs children.	Impower work is concluding in February, so review progress of the action plans.	3
Communities	Education	School Safeguarding	This was a limited opinion when last audited.	New guidance has been issued in 2019. This will be an assurance audit on the implementation.	3
People	People	Mosaic - provider module project	This project is expected to deliver significant efficiency savings, contributing to the MTFS.	Audit advice on the project to build in effective controls.	1
People	Children & Families	Placement in unregulated facilities	Where suitable regulated facilities are not available for placements, it is crucial to ensure effective management of the risks involved.	Crisis procedure - using own facility. Also, other unregulated facilities. Are risks being properly managed?	2
People	Children & Families	Recruitment and retention of foster carers.	Foster carers provide a vital service and retaining and replacing foster carers is difficult.	Audit of the WCC foster carer service – is it effective in recruiting and retaining foster carers and ensuring compliance with regulations?	2
People	Children & Families	Referral and assessment	Performance - Timescale for single assessment through the MASH is set at 45 days, but this is not always being achieved.	Review the process to identify avoidable delays and potential efficiencies.	3
People	Adult Social Care	Liberty protection safeguarding project	Project is to prepare for new legislation.	Assurance on project, followed by assurance on the delivery.	2

Directorate	Service	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Timing (Qtr)
Resources	Business and Customer Services	Blue badge	New legislation – risk of badges being misused and that the new legislation brings additional cost through assessment requirements.	Review of the arrangements to deliver the new requirements and management of the risks including the approach to prosecution including consideration of reputational risks.	2
Resources	Commissioning Support Unit	Transformation/ Change programme	Delivery of benefits.	Is there an effective framework for delivery and is it delivering the required outcomes.	Q3/4
Resources	Enabling Services	ICT Business continuity	Changes to the ICT arrangements impact on the risks around ICT business continuity.	Independent assurance on IT business continuity arrangements.	2
Resources	Commissioning Support Unit / People	Data strategy - data quality/governance - Mosaic/ Synergy	Importance of reliable, accurate data and appropriate governance in handling data.	Review of strategy and control design and effectiveness	2

## Council Plan Priority Outcome:



**Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure**

Directorate	Service	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Timing (Qtr)
Communities	Communities	Capital schemes - end to end review	Schemes running behind schedule leading to lower than expected infrastructure benefits.	Review planning and forecasting, optimism bias, scope for updating timescales and managing expectations better, connectivity and transition through planning to delivery teams.	1
Communities	Communities	Exor system replacement	Significant system being replaced.	Continued advisory and then an assurance audit after implementation.	1
Communities	Education	Schools audits	Extensive area of delegated expenditure.	Responding to requests to audit specific schools or thematic reviews.	1-4
Resources	Commissioning Support Unit	Procurement and Contract management	Significant savings to be delivered.	Assurance over control and governance to achieve cost savings.	2
Resources	Finance	Commercial Strategy	New strategy aimed at supporting delivery of Council Plan objectives.	Review application of the strategy, ensuring robust governance. Possible schemes include Energy, Property and Employment land.	3
Resources	Commissioning Support Unit	Management of re-procurement	Procurement should be well planned and linked to the commissioning cycle.	Review of the use of exemptions, testing around the planning of re-procurement and use of InTend system to support effective management of the process.	3
Resources	Commissioning Support Unit	Performance management	Effective management of performance using reliable data and SMART targets is important to delivery of Council outcomes.	Assurance over the target setting, collection processes, accuracy and relevance.	3

**Council Plan Priority  
Outcome Support:**

SUPPORTED BY



**Making the best use of resources**

Directorate	Service	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Timing (Qtr)
Communities	Communities	Trade waste	Loss of income from trade waste if not properly identified.	Management of risk around identification and verification.	1
Resources	Enabling Services	ICT starter and leaver controls	Control of IT access and equipment.	Review of control design and compliance.	2
Resources	Finance	Pensions Administration	Need for controls assurance.	Audit to provide assurance.	3
Resources	Enabling Services	YourHR - Data quality and process controls	Assurance required over the management information from the system and the effectiveness of self-service processes including recruitment.	Review of use of Your HR, progress with improvements for end users and effectiveness of controls.	3
Resources	Enabling Services	Cyber security	Constantly evolving IT security risk.	Review of cyber security approach and delivery.	2
Resources	Enabling Services	Property planning and delivery	Need for assurance over the planning and operation of property functions.	Review of the controls around property planning and delivery, including financial management and recharges.	3
Resources	Finance	Accounts Payable	Assurance over controls.	Controls re-visit following duplicate payment issue.	3
Resources	Finance	Pension advice - iConnect	Project advice on implementation of improved processes.	Project advice on implementation of improved processes.	2

Directorate	Service	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Timing (Qtr)
Resources	Enabling Services	Payroll	Previous limited assurance opinion.	Review of controls and implementation of earlier recommendations.	3
People	Children & Families	Payments to Foster carers and Special guardians	Control issue identified which suggests a full audit would be beneficial.	Controls assurance over the payment and financial monitoring processes.	2

**Council Plan: Responding to climate change:**



**UN Sustainable development Goals**

Directorate	Service	Topic	Potential Control / Governance Issue	Proposed Audit Coverage	Indicative Timing (Qtr)
Communities	Communities	Flooding – Service review implementation	There is a planned service review which will be looking at targeting resources, planning, emergency response and community engagement. Audit assurance to follow on from this.	Independent assurance audit on implementation of the review outcomes and management of the risks.	4
All (Lead – Communities)	All (Lead – Communities)	Climate change - Carbon emissions and the outcomes of the member panel.	A sound methodology and baseline measurement are essential to ensure that there is a robust evidence base and targets are SMART.	Assurance over the methodology and baseline measurement to ensure that there is a robust evidence base and targets are SMART.	3



### Illustration of auditable topics not planned for 2020-21

In addition to the coverage of key risk areas discussed at Annexes 1 and 2 above, the PSIAS requires the strategy to be open about those audit areas not covered in 2020/21. Based upon the planning discussions with senior management, our professional judgement and the results of previous audits the following topics are not planned for 2020/21. However, should planned audits not take place topics from this list can be substituted.

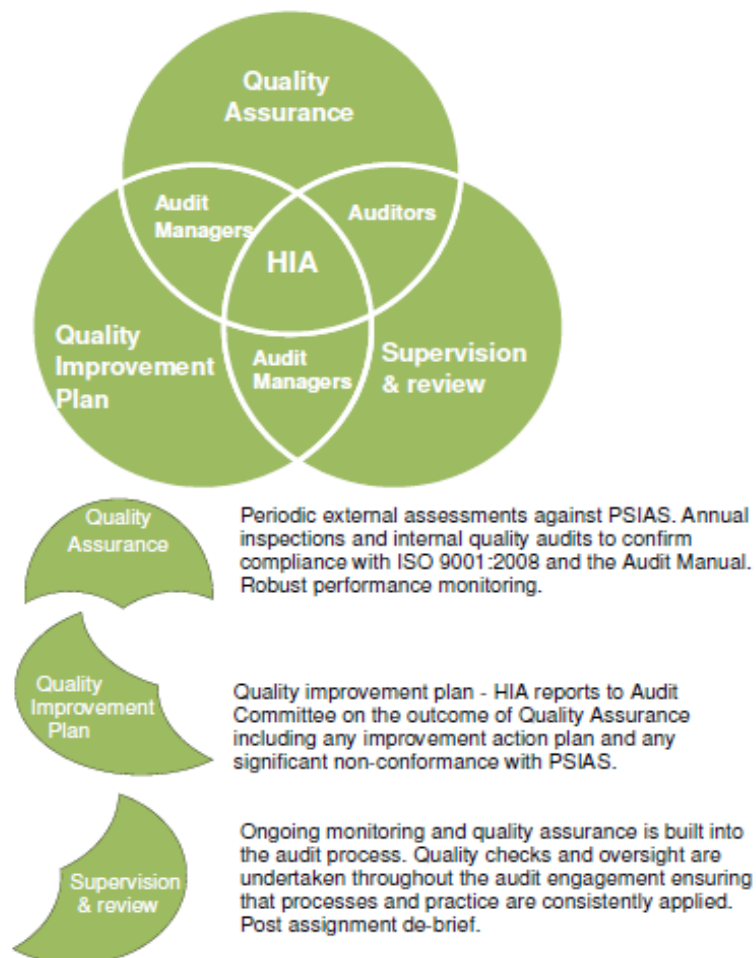
Directorate	Area	Latest coverage	Other assurances	Priority	
Communities	Gypsy and Traveller strategy			H	
	Developer contributions / highways response to planning applications	Substantial 2019/20		H	
	School Procurement			H	
	School themed Audit – Budget Management		Finance	H	
	Health and safety		Health & Safety	H	
	Civil Parking Enforcement	Moderate 2015/16	Procurement	H	
	Fire Premises Risk Management	Substantial 2014/15	HMICFRS	H	
	Duty Management System	Substantial 2019/20	HMICFRS	H	
	Partnerships			H	
	Waste Management	Moderate 2018/19		H	
	Pension Investment management	Limited 2019/20		H	
	People	Market shape/ Mkt management			H
		Child Protection			
		Missing Children	Substantial 2017/18		H
Looked After Children				H	
Adoption Central England		In Progress		H	
Asylum Seekers		Limited 2018/19		H	
Direct Payments – Children			Finance	H	
Direct Payments - Adults		Moderate 2018/19	Finance	H	
Reablement		Substantial 2019/20		H	
Delayed Transfer of Care				H	
Reviewing Team	Moderate 2019/20		H		
Resources	Performance Framework - PDPs			H	
	Complaints			H	
	Treasury Management	Moderate 2018/19		H	
Communities	Capital Programme	Moderate 2018/19		H	
	Home to school transport	Moderate 2016/17		M	
	Transport Fleet CFM	Moderate 2018/19		M	
	SEN & inclusion	Moderate 2015/16		M	
	Health and Well Being			M	

Directorate	Area	Latest coverage	Other assurances	Priority
People	Planning Control	Substantial 2016/17		M
	Highways response to planning applications			M
	Command and control		HMICFRS	M
	Training	Moderate 2015/16	HMICFRS	M
	Transport	Limited 2015/16	HMICFRS	M
	Water	Substantial 2015/16	HMICFRS	M
	Duty management system		HMICFRS	M
	Individual schools		Finance, HR	M
	Economic Development	Moderate 2018/19		M
	Contracting – Public Health	Substantial 2018/19	Procurement	M
	School improvement	Moderate 2014/15	Ofsted	M
	Health and Safety		HMICFRS	M
	Residential Care			M
	Fostering	Substantial 2018/19		M
	Resource Allocation			M
	Multi-Agency	Substantial 2018/19		M
	Safeguarding Hub			
	Domiciliary care			M
	Residential care			M
	Resources	Transitions and care leavers	Substantial 2018/19	
Deprivation of liberties		Moderate 2015/16		M
Links with Health		Moderate 2018/19		M
Quality Reviewing		Substantial 2018/19		M
Case File Recording (Children and Adult)		Substantial 2018/19		M
Disability Services		Substantial 2018/19		M
Occupational Therapy		Substantial 2014/15		M
Complaints		Moderate 2016/17		M
Heritage and Culture		Limited 2018/19 (Heritage)		M
Pensions - governance		Substantial 2016/17		M
Customer Connect		Moderate 2016/17		M
Commercialism				M
Business and Customer Support				M
Benefits, Assessment and Income Control Team (re Residential & Domiciliary Care)		Substantial 2018/19		M
Capital Programme		Substantial 2016/17	Finance	M
Absence Management		Moderate 2016/17	HR	M
HR management		Moderate 2014/15	HR	M
Insurance				M
Libraries, one front door, information service		Moderate 2015/16		M
Registration		Moderate 2015/16	GRO	M
Scrutiny			M	
Communications	Substantial 2015/16		M	

Directorate	Area	Latest coverage	Other assurances	Priority	
Communities	Grants to voluntary organisations	Substantial 2014/15		L	
	School Organisation & Planning	Full 2014/15		L	
	Emergency Planning	Substantial 2018/19		L	
	Highways	Substantial 2018/19	Procurement	L	
	Youth Justice Service			L	
	Music Service	Moderate 2015/16		L	
	Outdoor education	Moderate 2015/16		L	
	Catering & cleaning			L	
	Income, Cash Collection & Banking			L	
	School pupil premium	Moderate 2015/16		L	
	Concessionary fares			L	
	Public transport			L	
	Street works			L	
	Road safety			L	
	Asbestos / water safety etc in schools -Themed			L	
	Fire Equipment and uniforms		Procurement, HMICFRS	L	
	Resources	Facilities management			L
		Business intelligence			L
		Trading standards and community safety			L
Engineering design services		Substantial 2014/15		L	
Social Fund		Substantial 2014/15		L	
VAT			Finance	L	
Coroner				L	
Members allowances				L	
Consultation	Substantial 2016/17		L		

## Annex 4: QAIP

### Warwickshire County Council – Quality Assurance and Improvement Programme



- Head of Internal Audit**
- Undertake an annual self-assessment against the requirements of PSIAS
  - Develop and maintain a Quality Assurance Improvement Programme (QAIP) & improvement action plan
  - Focus on evaluating conformance with Internal Audit Charter, definition of Internal Audit, Code of Ethics & the Standards
  - Arrange an External Assessment in accordance with PSIAS requirements
- Audit Managers**
- Undertake supervision and review audit engagements
  - Obtain assurance from supervision and review processes that engagement planning, fieldwork conduct and reporting /communicating results adheres to audit manual / PSIAS
  - Provide HIA with regular reports on outcome of reviews, performance against key service measures etc
  - Provide feedback to auditors on quality of their work
  - Promote high professional standards and compliance with audit manual / PSIAS
  - Continually develop their team members
- Auditors**
- Conduct audit engagements in accordance with audit manual PSIAS
  - Deliver all assignments on time and within budget
- All**
- Comply with the Code of Ethics / Code of Conduct
  - Promote the standards and their use throughout the Internal Audit activity
  - Committed to delivering high quality services and continuous improvement
  - Promote the internal audit service
  - Committed to continuing professional development