

In partnership with



Appendix A

Herefordshire Council

Report of Internal Audit Activity

Proposed Revised Internal Audit Plan 2020/21

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Unrestricted

Contents

The contacts at SWAP in connection with this report are:

Dave Hill

Chief Executive

Tel: 01935 848540

david.hill@swapaudit.co.uk

Jacqui Gooding

Assistant Director

Tel: 07872500675

jacqui.gooding@swapaudit.co.uk



Background



Proposed Revised Internal Audit Plan 2020-21

Proposed Revised Internal Audit Plan 2020-21

As a result of the COVID-19 pandemic, SWAP has had to adapt and change its focus in the short-term.

This has involved audit work redirected to provide support and assurance for COVID-19 processes to assist with the response to the huge challenges faced.

With the Authority moving into a recovery phase from COVID-19, we are now looking to re-commence audit work in some areas.



Background

The internal audit plan for 2020/21 was approved by the Audit and Governance Committee on the 5th May 2020.

Clearly a lot has changed since that date, and as such, an updated and proposed revised audit plan for the remainder of 2020/21 is provided below. The plan that had previously been prepared is likely to remain relevant in many respects, but the huge effort the Authority is undertaking in relation to response and recovery from the COVID-19 pandemic is likely to push back a significant proportion of this work. As such an updated plan has been prepared following consultation with the Chief Finance Officer.

Internal audit continues to respond to request to support COVID-19 work and this will continue to cause some disruption to the plan particularly where there is a definitive date for a declaration to the relevant Government department.

The plan will continue to be reviewed as the year progresses and changes to the plan will be reported to this committee in my Internal Audit progress update reports.

When reviewing the proposed revised internal audit plan, key questions to consider include:

- Are the areas selected for coverage this year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Management Board and Audit and Governance Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

The proposed revised plan identifies where it is suggested to move audits to 2021/22 and includes the additional audits that have already been added to the plan for 2020/21.

Proposed Revised Internal Audit Plan 2020-21

It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review.

Link to Corporate Ambition/ Corporate Risk Register	Areas of Coverage	Brief Description	Priority (H, M, L)	Status
Corporate Centre (including ICT)				
Environment, Community, Economy CRR.10 CRR.23	Key Financial Controls Accounts Payable Main Accounting - Follow Up Payroll Accounts Receivable Capital Accounting Council Tax NNDR - Business rates avoidance Treasury Management - Follow Up Housing and Council Tax Benefits	Review of key financial system to provide assurance on effectiveness of controls and management of risks remaining with the Council. The work will assess responses to previous audit coverage and any changes to the control environment. The audit work will also include the use of data analytics.	High	Not Started
Accountable Body Requirement	NMITE Project (University)	Final review to cover February/March 2020	High	Completed
Environment, Community, Economy CRR.24 CRR.23 CRR.20	MTEP	The revenue and capital budgets are set following a robust process using sound and realistic assumptions.	Medium	Not Started
	Commercial Investments	The acquisition of commercial property has become a significant area of activity for some authorities in recent years. Local authorities acquire commercial property for a variety of reasons, but yield is currently an important factor.	Medium	Not Started
	Balfour Beatty Contract 1 year (minor to major repairs)	Review of compliance with contract.	High	Not Started

	Councillor Allowances Overspend	Review of allowances with Members Expenses follow up	Low	Defer to 2021-22
	Voting restrictions for Members	Review of process and how this is monitored.	Low	Defer to 2021-22
Environment, Community, Economy CRR.10 CRR.23 CRR.15 CRR.26 CRR.09	Staff Car Parking - Business passes	Review of process.	Low	In Progress
	Better Ways of Working (BWOW)	Review of BWOW principles and delivery of agreed programme. Deferred from 2019-20	Medium	Defer to 2021-22
	Risk Management	Last reviewed in 2014. Is the Risk Management Framework in place effective and appropriate for managing and monitoring risk?	Medium	Defer to 2021-22
	Strategic/Significant Partnerships	Review the governance arrangements in place between the council and Significant Partners to ensure they support effective transparency and communication and there are adequate contractual or partnership arrangements in place.	Medium	Not Started – planned for quarter 2
	Brexit Preparedness	Is the council prepared for the opportunities and risks that Brexit will bring? Are the short and long term issues that matter most to communities being addressed.	Deferred from 2019/20. Agreed with the Chief Finance Officer. Medium	Not Started
Environment, Community, Economy CRR.13 CRR.25	Cyber Security Framework	This review covers 20 key controls regarding cyber security and allows senior and strategic management to assess risk from a high level and provide requirements or challenge to the ICT provider or service. This review is being undertaken across SWAP partners so can facilitate future benchmarking. A continuous audit approach will be applied to update the results of this review annually.	High	Not Started – planned for quarter 2
	ICT Governance Risk Review	A high-level holistic risk review covering ICT Governance, Infrastructure and Enterprise. This allows senior and strategic management to gain exposure to current ICT risks and to inform future value added ICT audit.	High	Not Started
	Schools Educational visit service	Review of Health and Safety advice to Schools and process for school buy in.	Low	Defer to 2021-22

Environment, Community, Economy CRR.12 CRR.23 CRR.10 CRR.29	Staff benefit scheme	Scheme has been running since July 2019. Review of scheme and accuracy of data - is the scheme delivering the benefit intended.	Low	Defer to 2021-22
	Employee Expenses	Review of automated approval process for expenses under £100. Assurance that self-certification is complying with guidance. Use of Data Analytics Proactive Fraud Work	Medium Use of Data Analytics Proactive Fraud Work	Defer to 2021-22
	Leavers Process	Review of adequacy of process. Previous weaknesses identified in process.	Medium	Defer to 2021-22
Economy and Place				
Environment, Community, Economy CRR.14 CRR.27 CRR.20 CRR.10 CRR.11 CRR.18	Development Regeneration Programme	Scope to be agreed.	Medium	Defer to 2021-22
	Local Transport Block Funding	Grant Certification	High	In Progress
	Bus Subsidy Grant	Grant Certification	High	In Progress
	Bellwin /Resilience Management	Grant Certification	High	In Progress
	Commercial Properties/Rents	Review of the processes and procedures in place for commercial rentals owned and managed by Herefordshire Council. Areas to review - setting of rents and payment terms; discounts; invoicing and debt recovery; write-offs; vetting; rent reviews; tenancy starts and terminations and lease contents. Last reviewed in 2015-16.	Medium	Not Started - planned for quarter 2
	Herefordshire Waste Contract	Herefordshire Council and Worcestershire County Council waste treatment, recycling and disposal services are managed by Mercia Waste Management. What assurance do the council have that the contract is delivering against service expectation, contract delivery.	Medium	Defer to 2021-22
S106 Agreements	Review of expenditure against s106 agreements - Covers all aspects of s106's not just E&P so include children. Focus on delivery against commitments.	Medium	In Progress	

	Climate Change	Herefordshire Council has been working to reduce greenhouse gas emissions by 40% between 2008/09 and 2021, with a new aspirational target for achieving carbon neutrality by 2030. Review of the obligations and processes around carbon management.	Medium	Defer to 2021-22
	Emergency Planning	Review of Emergency Planning response	High	Not Started
	Capital Programme/Capital Projects	Capital Programme - to review a sample of projects across each Directorate.	High	Not Started
Adults and Communities				
Community Ambition CRR.23 CRR.17 CRR.10	Care Providers - risk of fraud.	What assurances do the Council have care is provided as per contract/agreement and the individual annual care plan. Proactive Fraud Work	Medium	Defer to 2021-22 Director of Adults and Communities advised unable to progress this year.
	Care Panel.	Assurance around the process – is it effective?	Medium	Defer to 2021-22 Director of Adults and Communities advised unable to progress this year.
	Support to self-funders.	What is the level of support provided by the Council and how does it compare to other LA's – to include cross partner comparison report.	Medium	Defer to 2021-22 Director of Adults and Communities advised unable to progress this year.
	Integrated Short-Term Support and Care Pathway - Carers Assessment	Pathway, system changes and a new contract in place. Deferred from 2019-20 to allow for implementation of new contract.	Medium	Defer to 2021-22 Director of Adults and Communities advised unable to progress this year.

	Integrated Short-Term Support and Care Pathway phase 4 Housing Pathway	Deferred from 2019-20. Is the Pathway prospective providing a customer journey with consideration of the system in respect of: <ul style="list-style-type: none"> • Moving at the right pace • Fit for purpose • Operating correct model of practice 	Medium	Defer to 2021-22 Director of Adults and Communities advised unable to progress this year.
	Client Finances	Client Finance System - Interface between all systems. Deferred from 2019-20.	Medium	Not Started
	West Midlands Peer Review	Compliance to peer review and progress against recommendations.	Medium	In progress
Additional Adults and Communities Audits				
Community Ambition CRR.23 CRR.17 CRR.10	Workforce Development	Is there a robust workforce development offer to support the frontline services and wider system appropriately? Can this be delivered in the new COVID 19 environment.	High	In Progress
	The Quality Development Framework	In order to establish adherence to the policy and best practice in supervision a quality audit programme was introduced. The purpose of this audit is to verify that the audit process is consistently applied so assurance standards are met.	Medium	Not Started not planned for quarter 3
	Oral Health Needs Assessment Plan	Comments expressed at "Q4" Cabinet. An audit of the progress made against the Oral Health Needs Assessment. It is worth noting that the plan was only completed at the end of 2019 and actually therefore runs from 2020 – 2023. We are technically therefore only at the end of Q2 of year 1 so SWAP may recommend delaying the audit until later in the year.	Medium	Defer to qrt 1 2021-22 this will then give a full year to review of progress against the plan.
	Supervision Practices	Review of performance – noticed there has been some slippage at the front door through the COVID-19 period.	Medium	Not Started planned for quarter 3
Children's and Families				
Community Ambition CRR.03	Troubled Families	Grant Certification review of claims monthly.	High	In Progress
	Schools thematic audit	Scope to include elements of SFVS and Prevention of Fraud	Medium	Defer to 2021-22

CRR.23	Schools - Off rolling.	Building upon the 19/20 schools exclusion work. Piece of work specifically on off rolling.	Low	Defer to 2021-22
	DP Pre Paid Cards	Review of controls for the use of and issue of pre-paid cards. Use of Data Analytics - Proactive Fraud Work.	Use of Data Analytics - Proactive Fraud Work. Medium	In Progress
	Accommodation based support service for care leavers with complex needs	Approach and accommodation for 16-18-year olds.	Medium	Defer to 2021-22
	EHCP (Education, Health and Care Plans)	Education, Health and Care (EHC) Plans are legally binding. A request for an EHC Needs Assessment is made where a child does not make expected progress following the Assess/Plan/Do/Review cycle and the special educational provision required cannot reasonably be provided from within the resources normally available to their educational setting.	Medium	Not Started
	Looked after Children and Complex Needs Children's Placements	A review of the process and the delivery of placements.	Medium	Defer to 2021-22
	Support for young people not in education, employment or training (NEET)	Review of support available - include care leavers and looked after children.	Medium	Not Started
Follow Up Audits				
Follow Up Audits	Members Expenses - Follow Up	Partial assurance 19/20. The work will assess responses to previous audit coverage and any changes to the control environment.	Medium	Not Started – Quarter 4
	CHC - Follow Up			
	SWTP Phase 1 - Follow Up			
	SWTP Phase 2 - Follow Up			
	RNCB Follow Up			
Homepoint Follow Up				
COVID- 19 Audits Not in 2020-21 Original Plan				
CRR.23	Grant Funding Schemes Small Business Grant Fund / Retail,	Additional audit as a result of Government funding for small businesses.	High	Completed

	Hospitality and Leisure Grant Fund			
	COVID-19 Advice	Advice as requested	High	Ongoing
CRR.20	Emergency Decisions - Decision Making	Review of changes to Emergency Decisions - for COVID-19	High	Discussion Document
CRR.23	Transport Contracts	Additional audit request to review payments for transport contracts in line with the variation to payments.	High	In Progress
CRR.23	Procurement Cards	Review of use of Procurement cards during COVID-19	High	Completed
CRR.23	Local Transport Authority Covid-19 Bus Service Support Restart (Revenue) Grant (CBSSG)	Grant Determination	High	Not Started
Additional Audits requested by the Chief Finance Officer				
CRR.20 CRR.23 CRR.10	Gypsy and Traveller Sites – Special Investigation	Special Investigation	High	Draft Report
	Hereford City Centre Transport Package	Review of spend against 2015 business case - 9 deliverables in the business case - £46M project.	High	In progress
CRR.23	Loss of Monies - Childrens and Families – Special Investigation	Special Investigation	High	In progress
CRR.20 CRR.10	Contract Management – Public Realm Contract	Review of contract management for Public Realm Contract.	High	Not Started