

2017/18

Internal Audit Plan



- 1.1 This document summarises the results of Internal Audit's planning work. It sets out details of the:
- Responsibilities and scope of internal audit
 - Resourcing and delivery of the Council's internal audit service
 - Arrangements for reporting internal audit work
 - Proposed programme of work for 2017/18 (the Audit Plan)
- 1.2 The Audit Plan for 2017/18 has been prepared in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS). The PSIAS represent mandatory best practice for all internal audit service providers in the public sector.
- 1.3 The Council has adopted the PSIAS 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'.
- 1.4 In accordance with PSIAS, the mission of internal audit is to 'enhance and protect organisational value by providing risk-based and objective assurance, advice and insight'.
- 1.5 The work of internal audit is a key element in delivering the Council's strategic priority of corporate effectiveness and business efficiency, but also supports the Council in achieving all the aims and objectives set out in the Sustainable Community Strategy and the Corporate Plan.
- 1.6 The PSIAS require that the internal audit service is delivered and developed in accordance with the internal audit charter. The Council has formally agreed that the provisions relating to internal audit that are set out in section 6.2 of Finance Standing Orders constitute the Council's internal audit charter.

INTERNAL AUDIT – RESPONSIBILITIES AND SCOPE

2.1 Responsibilities of internal audit

The internal audit function is responsible for:

- Reviewing and developing the Council’s governance processes. Specifically, this includes:
 - Promoting appropriate ethics and values within the Council
 - Supporting effective organisational performance management and accountability
 - Communicating risk and control information to appropriate areas of the organisation
 - Coordinating the activities of, and communicating information among, the Business Efficiency Board, external audit, internal audit and management
- Evaluating the effectiveness of the Council’s risk management processes and contributing to their improvement
- Assisting in the maintenance and development of an effective control environment by providing robust independent assurance over its operation.

2.2 Responsibilities of management

The establishment and maintenance of adequate control systems is the responsibility of management. Recommendations made by internal audit can reduce risk and improve systems of control. However, the implementation of audit recommendations cannot eliminate risk entirely.

2.3 Responsibilities of the Business Efficiency Board

In regard to internal audit, the Business Efficiency Board is responsible for:

- Approving, but not directing, internal audit’s strategy, plan and monitoring performance
- Reviewing summary internal audit reports and the main issues arising, and seeking assurance that action has been taken where necessary
- Receiving and considering the Head of Internal Audit’s annual report.

INTERNAL AUDIT – RESPONSIBILITIES AND SCOPE

2.4 Responsibilities for fraud prevention and detection

The primary responsibility for the prevention and detection of fraud rests with management. Management's responsibilities include creating an environment where fraud is not tolerated, identifying fraud risks, and taking appropriate actions to ensure that controls are in place to prevent and detect fraud.

It is not the role or responsibility of internal audit to detect fraud. However, internal audit will evaluate the potential for the occurrence of fraud in each assignment and how the Council manages the risk of fraud.

2.5 Scope of internal audit activities

The scope of internal audit work includes:

- The entire control environment of the Council, comprising financial and non-financial systems.
- Reviewing controls that protect the interests of the Council in its dealings with partnerships in which the Council has an involvement.

Internal audit may also provide assurance services to parties outside the Council with the prior agreement of the Business Efficiency Board.

RESOURCING & DELIVERY OF INTERNAL AUDIT

3.1 Resource requirements

The level of resource required to deliver an effective internal audit service to the Council has been assessed based on the need to provide adequate audit coverage of the Council's:

- Key financial systems
- Risk management and governance arrangements
- Front line services
- Support services
- Procurement and contract management activity
- Information management arrangements
- Anti-fraud and corruption arrangements
- Schools

Account has also been taken of the need to be able to resource:

- Unplanned work which may arise during the year
- Follow up work to provide assurance that previously agreed recommendations are implemented
- Provision of advice and consultancy to internal customers

3.2 Delivery of the internal audit service

The 2017/18 Internal Audit Plan will be delivered predominantly by an experienced and suitably qualified in-house team of 5.42 FTE auditors. This is a slight increase in resources from 2016/17 following some minor restructuring within the team. The level of available internal audit resource is considered sufficient to deliver a robust annual internal audit opinion to the Board.

As in recent years, a small amount of external support to assist the audit of information management systems will be provided by Salford City Council. Where opportunity arises, the internal audit team will also collaborate with internal audit colleagues from other local authorities in regard to the approach and delivery of particular audit assignments.

RESOURCING & DELIVERY OF INTERNAL AUDIT

3.3 Mitigation of any potential impairment to independence and objectivity

The internal audit team is managed by the Divisional Manager – Audit & Operational Finance, who also has responsibility for the following functions:

- Purchase to Pay
- Income control (collection and reconciliation of income)
- Insurance
- Client Finance (corporate appointeeships and deputyships)
- Direct Payments

Arrangements have been established to mitigate any potential impairment to independence and objectivity in regard to the audit of these areas. These arrangements will involve the Principal Auditor reporting the findings from the audits directly to the Operational Director – Finance without any influence or involvement of the Divisional Manager – Audit & Operational Finance.

3.4 Approach to placing reliance on other sources of assurance

When planning specific audit assignments, other sources of assurance may be taken into consideration in order to ensure the best use of the audit resource. Any work that is necessary in order to place reliance on other sources of assurance will be determined as required for each assignment.

3.5 Assurance services to other organisations

The only planned assurance service to be provided to an external party is an annual audit provided to Manchester Port Health Authority (MPHA), which is the governing body for the Manchester Ship Canal and River Weaver. Halton Borough Council is one of the funding authorities of Manchester Port Health Authority. The Council has agreed a three-year SLA to provide an internal audit service to MPHA. 2017/18 represents year two of that agreement.

INTERNAL AUDIT – REPORTING ARRANGEMENTS

4.1 Distribution of internal audit reports

At the conclusion of each audit assignment, a draft report is issued to the manager responsible for the area which has been audited. A final report containing management responses to any issues identified is subsequently distributed to:

- The Chief Executive
- The Strategic Director – Enterprise, Community & Resources
- The Operational Director – Finance (s151 officer)
- The Strategic Director, Operational Director and Divisional Manager responsible for the area reviewed
- The Council’s external auditor

4.2 Overall assurance opinion

In each audit report, an overall assurance opinion is provided on the area audited. The opinion is based on the information obtained in the course of the audit and represents an assessment of the effectiveness of the risk management, control and governance processes in the area audited.

The range of opinions provided in audit reports is set out in the following table:

Assurance Opinion	Explanation
● Limited	A number of key risks are not managed effectively. The control systems in operation are in need of significant improvement.
● Adequate	The control systems in operation are generally sound. However, opportunities exist to improve the management of some risks.
● Substantial	There is a sound system of control in operation to manage risks effectively.

INTERNAL AUDIT – REPORTING ARRANGEMENTS

4.3 Reporting to elected members

Throughout the year regular internal audit progress reports are presented to the Business Efficiency Board summarising the outcomes of internal audit work and any significant matters identified. Such matters may include risk exposures, governance weaknesses, performance improvement opportunities and value for money issues.

4.4 Annual Audit Opinion

An annual report is presented to the Business Efficiency Board which includes the Head of Internal Audit's overall opinion on the Council's risk management, control and governance processes. This opinion forms one of the sources of assurance in support of the Council's Annual Governance Statement. The opinion is based upon the collective findings from the internal audit work completed during the year.

INTERNAL AUDIT PLAN – METHODOLOGY

5.1 Requirements of the Public Sector Internal Audit Standards

The PSIAS state that the 'chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals'.

5.2 Development of the Audit Plan

In developing the Audit Plan, account has been taken of:

- The Council's risk management processes
- Senior management's views on risk in their areas of responsibility
- The results of previous internal audit work
- Other existing sources of assurance, including the work of external audit
- New or emerging risks affecting the Council or local government as a whole
- Known changes to the Council's business, operations, programs, systems, and controls
- The requirement to ensure sufficient and wide ranging coverage in order to provide a robust annual audit opinion
- Planned work deferred from the 2016/17 Audit Plan that is still considered a priority

5.3 Alignment of the Audit Plan to the Council's Corporate Priorities

The Audit Plan is presented in a way that shows how each piece of planned work aligns with the Council's Corporate Priorities. Some planned reviews clearly contribute to more than one priority. For presentational purposes the reviews have been listed under the priority that is considered most closely linked to the review area.

5.4 Budgeted time allocations

A budgeted time allocation has been set for each assignment included in the Audit Plan. It is accepted that the exact resource requirement for each assignment cannot be forecast with certainty. The plan therefore represents the best estimate of the way in which the Council's internal audit resources will be deployed.

INTERNAL AUDIT PLAN – METHODOLOGY

5.5 Timing and prioritisation of audit work

The intention is to complete all planned work within the year. However, the timing and respective prioritisation of work will take account of:

- The need to finalise any work from 2016/17 that remains incomplete at year-end
- The need to prioritise the reviews deferred from the 2016/17 Audit Plan
- The requirement to provide assurance over the Council's key financial systems
- The views of management of the service areas in regard to the timing of work
- Any other factors that may be relevant to the timing of a particular piece of work
- Any urgent unplanned work arising
- Changes in the level of audit resources available

5.6 Significant interim changes to planned work

The Audit Plan will be kept under review during the year and it may be necessary to make revisions to planned work in order to respond to changes in priorities or changes in the level of internal audit resources. Minor changes will be agreed with the Operational Director – Finance. Any significant interim changes will be reported to the Business Efficiency Board.

SUMMARY INTERNAL AUDIT PLAN – 2017/18

Corporate Priority	Planned Days
Corporate Effectiveness & Business Efficiency:	560
Financial Management	215
People Management	40
Information Management	50
Asset Management	80
Governance	100
Anti-Fraud & Corruption	75
Children & Young People in Halton	155
Employment, Learning & Skills in Halton	10
A Healthy Halton	120
A Safer Halton	75
Halton's Urban Renewal	55
<u>Other work:</u>	176
Contingency	98
Manchester Port Health Authority	3
Completion of outstanding 2016/17 audits	75
Total Planned Days	1151

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Financial Management				
Fees & Charges (originally planned for 2016/17)	20	A significant element of the Council's overall income derives from fees and charges. However, there is a pattern of reducing income levels across the Council.	An analytical review will be undertaken examining the Council's key income streams from fees and charges and examine the relationship between, budgeting, charging policy and income generation.	Audit report
Bank Mandates (originally planned for 2016/17)	15	The Council has many bank accounts and it is important that bank mandates are kept up to date to ensure that they are consistent with the delegated authorities set out in the Constitution and are updated to reflect changes in personnel.	The audit will review all current bank accounts and confirm that each account is still required and that the signatories on the bank mandates are appropriate.	Audit report
Agresso Income Manager (originally planned for 2016/17)	20	The Council implemented a new income management system in March 2016. This has resulted in significant changes to the Council's income collection and accounting arrangements.	A full system review will be undertaken to provide assurance that controls over income collection and reconciliation have been maintained. The audit will also examine the impact of the new system in terms of the Council's Payment Card Industry Data Security Standard (PCIDSS) compliance.	Audit report
Asset Valuation - Highways	15	New financial reporting requirements will require the Council to provide a valuation of its highways network calculated at depreciated replacement cost (DRC) instead of historical cost.	The audit will examine the measurement and valuation processes to provide assurance over data quality.	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Adult Social Care charges	20	Implementation of Care Financials will lead to significant changes to processes in the financial assessment of social care clients.	A full system review will be carried out examining the procedures for financially assessing and invoicing social care clients.	Audit report
Business rate collection	20	From April 2017, 100% retention of business rates is being piloted across the Liverpool City Region. This consequently increases the importance to the Council of maximising the collection of business rates.	Review of collection and recovery procedures	Audit report
Bankline	10	The Council uses the NatWest's online banking service (Bankline) to get online access to real-time banking information. The service also allows the Council to make transfers or payments either immediately or scheduled for a future date.	The audit will focus on user access permissions and security settings within the Bankline system.	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<u>Financial key control reviews:</u>		These systems provide material disclosures for the financial statements.	High level reviews evaluating and testing the effectiveness of the key controls within each financial system	Audit report for each system
Payroll	10			
Loans & Investments	10			
Income Control and Reconciliation	10			
NNDR	10			
Council Tax	10			
Housing Benefit	10			
Accounting Journals	5			
Accounts receivable	10			
Accounts payable	10			
Fixed assets	10			
Total	215			

Internal Audit Plan - Corporate Effectiveness & Business Efficiency

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
People Management				
Learning & Development (originally planned for 2016/17)	15	Learning and development is an investment for any organisation. At a time of continuing funding pressures it is therefore particularly important that there is a clear business link to the needs of the organisation and that learning and development opportunities are provided in a cost-effective manner.	The audit will examine the arrangements put in place to identify and address the learning and development needs of the organisation and individuals. This will include reviewing how the effectiveness of the investment in learning and development opportunities is assessed.	Audit report
Apprenticeships	15	<p>The Government has introduced an 'Apprenticeship Levy' from April 2017. Employers with a UK pay bill of over £3m will be required to pay 0.5% of that pay bill into a levy. It is estimated that the levy will cost the Council approximately £300k pa.</p> <p>The Government has set a target that each local authority will have to provide 2.3% of their workforce headcount as apprenticeships. This equates to about 55 apprentices for Halton annually.</p>	The audit will examine the Council's arrangements to comply with The Apprenticeship Levy and the implementation of the Council's Apprenticeship Policy.	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Redundancy payments	10	<p>The Council operates a local protocol in regard to redundancy arrangements. The total cost of redundancies to the Council was £3.258m in 2015/16.</p> <p>There is also a requirement for the Council to report in its financial statements on the numbers of exit packages and provide details of the total cost of compulsory redundancies, voluntary redundancies and early retirements.</p>	The audit will provide assurance that redundancy processes and payment calculations are being operated in accordance with the Staffing Protocol and that appropriate arrangements exist to capture and report on compulsory redundancies, voluntary redundancies and early retirements.	Audit report
Total	40			

Internal Audit Plan - Corporate Effectiveness & Business Efficiency

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Information Management				
Software asset management (originally planned for 2016/17)	10	Good corporate governance dictates that an organisation should be fully aware of where and how its assets are used. Software asset management enables an organisation to keep better track of the deployment and utilisation of software across the business.	The audit will examine the arrangements that the Council has established to ensure that: <ul style="list-style-type: none"> • The software environment is adequately controlled and only authorised software is in use; • Over or under-licensing of software is identified and is used to inform purchasing decisions. 	Audit report
Data Protection	20	In conducting its business the Council is involved in using and processing a wide range of personal data. The manner in which this data is used is governed by The Data Protection Act, which provides strict rules known as 'data protection principles'. The Information Commissioner's Office (ICO) has powers to fine organisations up to £500,000 for serious breaches of the Data Protection Act.	The audit will assess the Council's procedures, systems, records and activities in order to provide assurance: <ul style="list-style-type: none"> • appropriate policies and procedures are in place; • those policies and procedures are being followed; • robust arrangements exist to detect and respond to data breaches. 	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Cyber Security	20	<p>Media reports of organisations that have fallen victim to a cyber-attack are increasingly widespread. Incidents may include loss of customer data, financial loss or denial of service. The consequences of such events can lead to fines, service disruption and reputational loss.</p> <p>Increased use of technology and openness to the internet makes the Council increasingly at risk of cyber-attack</p>	The audit will examine the steps that the Council has taken to identify its cyber-risk exposures and to protect the various information assets that could be affected by a cyber-attack (such as hardware, systems, data etc.).	Audit report
Total	50			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Asset Management				
The Stadium (originally planned for 2016/17)	20	The Stadium is a significant asset of the Council and operates on a commercial basis. In a time of severe funding pressures it is of increasing importance that the Council maximises the financial performance of its assets.	The audit will examine lettings, billing and income collection, events, ordering and stock control, utilisation and the overall financial management arrangements.	Audit report
The Brindley Arts Centre (originally planned for 2016/17)	20	The Brindley Arts Centre is a commercial trading undertaking that generates revenue of approximately £1m pa. In 2016/17 it operated with a budgeted subsidy of £112k (excluding recharges). The facility is working towards achieving a break-even position.	The audit will review the key financial systems in operation focusing on income generation and expenditure controls.	Audit report
Property Valuations	20	<p>Keeping an accurate and up-to-date schedule of properties protects the Council from underinsurance in the event of a claim. Under-estimates of property reinstatement values could therefore potentially result in the Council having to self-fund some of the reinstatement costs in the event of a claim.</p> <p>CIPFA has also recently issued updated guidance around the requirements of International Financial Reporting Standard (IFRS) 13 for property asset valuations.</p>	The audit will examine the adequacy of the Council's arrangements for revaluing its property portfolio by reference to the updated CIPFA guidance on property asset valuation.	Audit report

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Investment properties	20	Like many authorities, the Council owns a variety of investment properties. These properties are not directly involved in the delivery of a service but have been acquired over a number of years to facilitate the economic development of the borough and to generate rental income that helps support the delivery of the Council's wider corporate objectives.	The audit will review the Council's strategy in regard to the acquisition, retention and disposal of investment properties and the associated financial performance of the assets held.	Audit report
Total		80		

Internal Audit Plan - Corporate Effectiveness & Business Efficiency

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Governance				
Governance Framework	15	<p>A revised edition of the CIPFA/SOLACE publication 'Delivering Good Governance in Local Government: Framework' was published in 2016.</p> <p>The Framework defines the principles that should underpin the governance of each local government body and provides a structure to assist local authorities with their own approach to governance.</p>	Self-assessment against updated guidance document 'Delivering Good Governance in Local Government: Framework'.	Audit report
Council Constitution	5	Need to ensure that the Council Constitution reflects changes in the legislation, policies and procedures.	Internal Audit contributes to a working party that meets each year to review and propose changes to the Council's Constitution.	Updated Council Constitution
Annual Governance Statement	5	Statutory requirement for the Council to produce an Annual Governance Statement.	Internal Audit input to the Corporate Governance Group which develops the Annual Governance Statement.	Publication of Annual Governance Statement
Reporting to the Business Efficiency Board	15	The Council Constitution requires Internal Audit to report to the Business Efficiency Board.	Attendance at, and preparation of reports for, the Business Efficiency Board on internal audit and governance related matters.	<p>Audit Plan</p> <p>Regular progress reports</p> <p>Internal Audit Annual Report</p> <p>Annual Fraud & Corruption report</p>
Follow up of internal audit recommendations	50	To provide assurance that agreed internal audit recommendations are implemented.	Follow up of agreed internal audit recommendations to determine whether or not they have been implemented.	Follow up audit reports

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Information Governance Group	5	Information governance refers to the structures, policies, procedures, processes and controls implemented to manage information at an organisational level. Penalties of up to £500k can be imposed for breaching the Data Protection Act.	Internal audit input to the work of the Information Governance Group	Further development of the Council's information governance arrangements
Working groups / Advice	5	Internal Audit is frequently asked for advice on specific issues and to contribute to various working groups within the Council.	Advice and input to be provided as required	Advice and guidance on risk and control issues
Total	100			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Anti-Fraud & Corruption				
National Fraud Initiative (NFI)	15	NFI matches data across organisations and systems to help public bodies identify anomalies which may signify fraudulent claims and transactions. The Council is required by law to participate in NFI.	Co-ordination and investigation of the data matches identified from the exercise.	An update will be provided for the Business Efficiency Board in the Annual Fraud & Corruption report.
Review and update of Counter Fraud policies	10	Fraud and corruption are ever-present risks to all organisations. It is therefore important that the Council's arrangements to counter fraud and corruption reflect best practice.	Self-assessment against best practice guidance produced by CIPFA in 'Managing the Risk of Fraud'.	Annual report to the Business Efficiency Board on the Council's Anti-Fraud and Corruption arrangements. Update of the Anti-Fraud & Corruption Strategy and Fraud Response Plan.
Fraud awareness & Whistle-blowing initiatives	15	Employee education and awareness of fraud risks form a key element of an organisation's resilience to fraud.	Ongoing fraud awareness campaign	Increased fraud awareness amongst employees and Members
Fraud working groups	10	Regional officer groups provide a forum for the exchange of information and a means of sharing best practice in regard to fraud prevention and detection.	Attendance at the Merseyside and Cheshire Fraud Groups and participation in joint initiatives.	Identification and investigation of potential frauds Training and information sharing across the Cheshire and Merseyside authorities Re-design of systems where fraud risks identified
Annual CIPFA Fraud & Corruption survey	5	The annual CIPFA Fraud and Corruption survey provides an overview of all fraud, bribery and corruption activity throughout the UK public sector and allows the Council to benchmark with other comparable organisations.	Internal Audit will submit the Council's survey responses and analyse the results from the survey to help better understand the areas where fraud losses could be occurring and to inform the Council's anti-fraud plans.	Headline figures from the survey will be included in the annual report to the BEB on the Council's anti-fraud and corruption arrangements.

Internal Audit Plan - Corporate Effectiveness & Business Efficiency

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Confidential Offence Reporting	5	Internal audit receives reports from the public that are submitted through the Council's online reporting system. Reports received may relate to suspected fraud but also cover other issues such as fly tipping, noise pollution and child neglect.	The reports are reviewed and assigned to the relevant team within the Council to be investigated.	Investigation of complaints raised by members of the public
Fraud risk assessment - Procurement Fraud	15	Procurement fraud is any fraud relating to the purchasing of goods and services. It covers the entire procure-to-pay lifecycle, including fraud in the tender / bidder selection and contract award stages (e.g. illicit cartel activity or bribery of an official to influence the tendering process) as well as fraud occurring during the life of the contract (e.g. false, duplicate or double invoicing). The National Fraud Authority estimates that local government could be suffering losses of around £890 million a year to procurement fraud.	The fraud risk assessment will involve a full audit review of the Council's procure-to-pay process evaluating the adequacy of the controls established to prevent and detect potentially fraudulent activity.	Audit report
Total	75			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Child Safeguarding	30	<p>Deficiencies and weaknesses in record keeping have been identified in government reports following a number of tragic, high profile incidents involving children in recent years.</p> <p>Good record keeping is essential in child protection, particularly with regard to children who are subject to a child protection plan, children 'in need' or who are identified as vulnerable.</p>	At the request of the Strategic Director – People internal audit will undertake monthly case file audits to provide assurance over the quality of safeguarding records.	<p>There will be a regular system of reporting to the Strategic Director – People on the results of this work.</p> <p>A summary report will also be produced for the Business Efficiency Board at year-end.</p>
Troubled Families	20	<p>This is a Government initiative involving local authorities and their partners to help turn around the lives of troubled families in England.</p> <p>Funding is available to local authorities under a payment by results model.</p>	Verification and certification work in respect of the quarterly claims to be submitted in 2017/18.	Annual audit report covering quarterly claims

Internal Audit Plan - Children & Young People in Halton

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
<u>School audits:</u> Brookvale Astmoor Ditton St Mary's All Saints Upton The Holy Spirit The Bridge The Grange Our Lady Of Perpetual Succour Fairfield Moore Murdishaw West Hale CE Halton Lodge Runcorn All Saints	105	The Council has 60+ schools that are responsible for setting their own budgets and managing their finances. The frequency of school audit visits is determined by the audit assurance rating from the previous audit: <ul style="list-style-type: none"> • Substantial – 4 year cycle • Adequate – 3 year cycle • Limited – Annual cycle 	A standard audit programme has been developed for school audits, which is tailored to each school as required.	Audit report for each school
Total	155			

Internal Audit Plan - Employment, Learning & Skills in Halton

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Halton Apprentice Hub (originally planned for 2016/17)	5	The Council has received a grant of £150k for this scheme. Audit work is required to provide assurance that expenditure is in line with the conditions of funding.	Grant claim audit	Certification of Grant Claim
Halton People Into Jobs	5	<p>A4e is one of the prime contractors for the DWP's Work Programme, which is being delivered through a number of contract areas. Halton is part of a large contract area which includes Merseyside, Lancashire and Cumbria.</p> <p>The Council acts as a sub-contractor to A4e in delivering employment support services under the programme.</p> <p>As part of the contractual arrangements with A4e, the Council is required to comply with the A4e Security Plan.</p>	Annual verification work in regard to compliance with the A4e Security Plan (ISO27001:05).	Audit report
Total	10			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Alternative Day Services (originally planned for 2016/17)	20	<p>The Council provides a range of alternative day services, which include a hair salon, a catering service and a micro-brewery.</p> <p>The operation of trading services present a range of risks in regard to employment issues, financial management, health and safety, and compliance with relevant regulations.</p>	The audit will examine how the Council manages the risks associated with operating trading services, which are provided with the direct involvement of service users.	Audit report
Mental Health and Wellbeing (originally planned for 2016/17)	20	The Council has adopted a Mental Health and Wellbeing Strategy. Effective commissioning of services is a key element in improving outcomes for service users.	The audit will cover commissioning, contract management and financial management arrangements.	Audit report
Leisure Centres (originally planned for 2016/17)	20	In April 2016 the Council took the management of three leisure centres back in-house.	The audit will examine the staffing, financial management and information management arrangements in operation across the three centres.	Audit report
Domiciliary and Personal Care Services	20	<p>The Council is embarking on a programme to transform domiciliary care through an outcomes based service delivery model.</p> <p>The proposed model would align the domiciliary care providers with the social care teams and involve greater interaction and involvement with the voluntary sector. As such, it will involve a different relationship with providers and presents different risks to the current delivery service model.</p>	Internal audit has been requested to be part of the project team tasked with delivering this programme and to provide challenge and advice on risk and control issues.	Advisory role

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Tele-healthcare	20	This use of remote monitoring is increasingly enabling people to lead more independent lives. The Council's use of Telehealthcare is to be expanded to help more people to be supported to live at home or in extra care housing schemes.	The audit will examine the implementation of the Telehealthcare strategy and the associated financial management arrangements. It will also examine the arrangements to measure and record the savings generated, and consider options for the wider use of this type of technology in regard to supporting people to maintain independence.	Audit report
Travellers' sites	20	The Council is responsible for the management of the permanent travellers' sites with the borough. Income is received via rental of pitches and utility charges. An additional site is due to open shortly. The last audit review of this area resulted in a limited assurance opinion being issued.	The audit will examine how the Council manages the risks associated with operating travellers' sites providing assurance that procedures are applied consistently across all sites.	Audit report
Total	120			

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Trading Standards (originally planned for 2016/17)	20	The service was brought back 'in house' in 2014/15 after being delivered by Warrington under a Service Level Agreement.	The audit will examine service planning and performance reporting in addition to examining controls around expenditure and control over test purchases.	Audit report
Taxi Licensing	20	<p>The Council is responsible for the licensing and regulation of taxis within Halton. The Council must ensure that only persons who are "fit and proper" are granted a taxi driver's licence.</p> <p>Weaknesses in taxi licensing and regulatory processes at other local authorities have led to safeguarding concerns and attracted attention in the national media.</p>	<p>The audit will examine the processes for dealing with:</p> <ul style="list-style-type: none"> • taxi licences applications • taxi licence renewals • enforcement activity • record keeping • complaints made against drivers 	Audit report
Financial awareness training for social workers	10	<p>There have been a number of cases identified where social care clients have accrued large debts in respect of their care fees and have been possible victims of financial abuse.</p> <p>Capacity assessments of clients had not always been completed when they commenced receipt of care services. Some clients were later identified as lacking capacity with nobody identified to act in a legal capacity on their behalf. As such, debts in respect of their care fees remained unpaid.</p>	<p>Short training sessions will be developed to provide social workers with an improved understanding of their role in regard to the financial affairs of clients. Real examples will be used highlighting what has gone wrong in previous cases.</p> <p>The training will be developed and delivered in conjunction with the following teams:</p> <ul style="list-style-type: none"> • Debtors • Corporate Investigators • Safeguarding Team 	Training sessions

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Plant, machinery and work equipment	20	<p>The Provision and Use of Work Equipment Regulations (PUWER) 1998 was introduced to ensure safety when working with any work equipment.</p> <p>As an employer it is important that the Council:</p> <ul style="list-style-type: none"> • identifies work equipment that requires a risk assessment; • carries out risk assessments as required; • determines whether periodic in-service inspection is required; • determines the scope and frequency of the in-service inspection as required. 	The audit will review the Council's arrangements for ensuring the safety of work equipment used in the course of delivering Council services.	Audit report
Bus Subsidy Ring-Fenced (Revenue) Grant	5	The Council receives an annual revenue grant from the Department of Transport for the purpose of supporting bus services (including community transport services run under a section 19 permit), or for the provision of infrastructure supporting such services in the authority's, or a neighbouring authority's, area.	The grant conditions state that the funds can only be used for the purposes as detailed in the paragraph above and there is also a requirement to report on how the Council has made use of the devolved funds and any decision making process that followed. The Chief Executive and Chief Internal Auditor are required to sign an annual statement confirming that, to the best of their knowledge, the conditions attached to the grant have been complied with.	Grant claim audit
Total	75			

Internal Audit Plan - Halton's Urban Renewal

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Highways (originally planned for 2016/17)	20	<p>A six-year contract is in place with 'Tarmac' for highway repairs, which was jointly let with Warrington Borough Council. The annual contract value is £3.5m.</p> <p>The procurement stages of the contract were previously audited but the operation of the contract has yet to be reviewed.</p>	The audit will provide assurance that there are adequate controls to ensure that the contract conditions are complied with for work let under the contract in regards to the quality standards required and agreed cost.	Audit report
Regeneration Projects (originally planned for 2016/17)	20	<p>Major regeneration schemes represent a substantial investment by the Council to help encourage economic growth and to improve the quality of life for residents.</p> <p>Schemes can often have complex funding arrangements and frequently involve working with partner organisations.</p>	The audit will examine the arrangements that the Council has in place to secure value for money from investment in regeneration projects. Particular focus will be on the procurement, contracting and programme governance arrangements. The audit will also examine how the Council evaluates the benefits achieved from the investment.	Audit report
Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance)	5	<p>In 2016/17 the Council received an allocation of £3.005m for the integrated transport and highways maintenance block grant.</p> <p>It is a requirement that the Head of Internal Audit signs a declaration to confirm that the conditions of funding have been complied with.</p>	Grant claim audit	Certification of grant claim

Area of Audit Work	Days	Risk Context	Planned Coverage	Output
Local Growth Fund STEP Grant	5	In April 2015 the Council secured funding for four projects, through the Liverpool City Region Sustainable Transport Enhancements Package (STEP) Grant Fund for 2015/16 and 2016/17. The total grant funding secured was £1,223,700 for the purpose of pedestrian / cycling and junction improvements.	Grant claim audit	Certification of grant claim
Local Growth Fund Grant Claim – Silver Jubilee Bridge	5	In April 2016 the Council secured funding for the delivery of the Silver Jubilee Bridge Maintenance Scheme, through the Liverpool City Region Local Growth Fund Grant for 2015/16 to 2018/19. The total grant funding secured was £3,640,942. The main features of the proposed maintenance works focus on the strengthening of the Silver Jubilee Bridge deck and approach viaducts.	Grant claim audit	Certification of grant claim
Total	55			