

**INTERNAL AUDIT SERVICES**

**INTERNAL AUDIT**

**ANNUAL**

**STRATEGY AND PLAN**

**FOR**

**SALFORD CITY COUNCIL**

**2019/20**

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SALFORD INTERNAL AUDIT  
ANNUAL STRATEGY AND PLAN 2019/20

**Table of Contents**

1. Introduction and Background .....	2
2. Basis and Context .....	3
3. Delivering the Plan .....	4
4. Flexibility in the Plan.....	6
5. Assurance Framework .....	6
6. Liaison with External Audit and Other Providers of Assurance .....	7
7. Compliance with Public Sector Internal Audit Standards .....	7
8. Planned Work 2019/20.....	8
9. Resources, Skills, and Continued Professional Development .....	8
10. Conclusion.....	10
Appendix A – Internal Audit Plan 2019/20.....	11
Corporate Governance .....	11
Service Reform .....	12
Service Reform (Core Financial Systems).....	14
Service Reform (Grants & Verification).....	15
Service Reform (Information Technology) .....	15
Place .....	17
People.....	19
People (Establishments) .....	20
Other Commitments.....	22

## 1. Introduction and Background

- 1.1. The Public Sector Internal Audit Standards (PSIAS) require the Head of Internal Audit to “*establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals.*”
- 1.2. The PSIAS note that the internal audit plan should incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter.
- 1.3. The internal audit strategy aims to add value to the council and stakeholders by providing objective and relevant assurance, and contributing to the effectiveness and efficiency of governance, risk management and control processes. Audit reports will provide audit analyses, findings and recommendations.
- 1.4. The audit plan of work provides the council with objective opinions on the effectiveness of the organisation’s risk management, control and governance arrangements. These opinions are a key element of the evidence to inform:
  - The Annual Report and Head of Audit Opinion; and
  - The Annual Governance Statement.
- 1.5. The internal audit plan of work for 2019/20 aims to support the council in making best use of resources and the assets available and takes into account strategic risks and the corporate objectives, the Great Eight:



- 1.6. The achievement of the council’s corporate objectives requires all areas of the council to work effectively and efficiently in its use of resources whilst

demonstrating transparent governance arrangements and effective arrangements for risk management.

- 1.7. The purpose of this document is to put forward a strategy and plan that provide a robust basis for internal audit work whilst acknowledging that we must retain sufficient flexibility to allow us to react to changes in the risk environment. The plan sets out a series of risk based reviews that will support the council to achieve its objectives.
- 1.8. In producing this strategy and plan we have taken due recognition of the continued economic and financial pressures on the council and have noted joint working arrangements with partner organisations, including Health.
- 1.9. We are committed to reviewing our own costs and service delivery to provide an efficient and effective service and are working with partner internal audit teams, including health teams, to deliver the plan and make best use of resources.

## **2. Basis and Context**

- 2.1. In accordance with the Internal Audit Charter the audit plan for 2019/20 takes into account the council's Strategic and Service Group risk registers, and reflects:
  - corporate assurance requirements, including the Annual Governance Statement;
  - the outcome of previous audits and those of other assurance providers; and
  - discussions with service group management teams.
- 2.2. Several continuing influences on the council have also influenced our plan, including:
  - the requirement for the highest levels of corporate governance;
  - changes in the operating environment of the council; in particular:
    - the council's continued transformation agenda
    - the continued changes arising from the funding constraints the council faces
    - developments in relation to the Greater Manchester Combined Authority and devolution
    - partnership working, including the Salford Care Organisation
  - internal audit's cumulative knowledge of the council; and
  - the results of investigations and counter fraud initiatives.
- 2.3. Transformation of services throughout the council continues to result in significant changes to the control framework, and risks can increase as experienced employees leave the organisation and new and innovative ways of working are developed. We need to be aware of the challenges that face the council and maintain awareness of these risks. The audit plan has been developed to provide assurance that basic governance and control

arrangements continue to operate effectively, minimising the risks of misappropriation, loss and error.

2.4. We also recognise that in the production and implementation of our plan we need to recognise other sources of assurance that the council receives and co-ordinate our work accordingly:

- dovetail our work with that of other independent assurers, especially the external auditor;
- ensure that we optimise value to the council by working closely with other providers of assurance, e.g. Governance Group, Performance team, and IT team;
- ensure that we continue to provide assurance on the core financial systems that key systems and processes are operating as intended; and
- provide support to the council in producing its Annual Governance Statement (AGS).

### 3. Delivering the Plan

3.1. The outputs from our plan fall into two main areas:

**Assurance:** Audits providing an ‘assurance opinion’ on the design and effectiveness of the internal control framework over a stated period.

**Advice/Consultancy:** Audits in respect of specific requests from the council that aim to improve governance, risk management and control.

3.2. The main areas of outputs requiring assurance are summarised below under the broad headings of Corporate Governance and Key Business systems:

**Corporate Governance:**

- Governance Arrangements;
- Framework of Assurance and AGS;
- Information Governance including GDPR; and
- Risk Management / Business Continuity.

**Key Business Systems**

- Operational systems and services;
- Fundamental Financial Systems;
- Information Management and Technology;
- Procurement, Capital Schemes and Contracts; and
- Transformation of systems.

**Other Risk Areas:**

The council may request our input into specific areas of risk where our assurance or assistance has been determined as necessary. The outcomes from such work will not normally be used to inform the Head of Internal Audit

Opinion, but will be brought to the council's attention as requiring disclosure in the Annual Governance Statement, if the outcome is sufficiently material.

3.3. The following areas are also included in our plan:

**Other Outputs:**

- Grant Audits: Providing assurance as required supporting grant claims or substantiating the use of funding.
- Value for Money Reviews: Support the council to gain assurance as the external inspection regimes reduce.
- Follow-up: Resources to ensure that previously agreed recommendations have been implemented as planned.
- Contingency for reactive work: This allows us to accommodate audit assignments which could not have been reasonably foreseen and to react to the transformation of services.
- Advice and Guidance: Provided by attendance at working groups; transformation meetings; or by working with managers and staff to develop the control environment.
- Audit Planning and Support: This includes support to the Audit and Accounts Committee; meetings with the Chief Finance Officer and other senior managers; audit planning; collaboration with other councils, general advice; and the Head of Internal Audit Opinion.

**Review of Information & Communication Technology (ICT):**

- Specialist ICT Auditors will undertake reviews of ICT systems and ICT projects. This element of the plan will be informed by the ICT Strategy, the work required for Information Governance and any changes arising from national ICT developments.

**Establishments, including Schools:**

- The Plan for 2019/20 includes reviews of individual establishments selected from Salford's:
  - schools
  - children's homes
  - pupil referral units
  - nurseries
- We have set aside some time to undertake Post Implementation Reviews of previous reviews of establishments.
- The Schools Financial Value Standard (SFVS)
  - We will continue to support schools in achieving and maintaining the SFVS.
  - The SFVS requires all the council's schools to compile a return at the end of financial year commenting on their attainment of this Standard.
  - This requirement and the success or otherwise of schools in this regard, is taken into account when selecting which schools to visit.

**Fraud, Bribery and Corruption:**

- Internal auditors are alert to potential indicators of fraud and corruption when evaluating controls and the management of risk, and will report on any concerns that need addressing.
  - The Internal Audit team provides investigative support to Investigating Officers in potential cases of fraud, bribery and corruption. The service also monitors the whistle blowing referral line.
  - The work of Internal Audit is supported by the joint Corporate Counter Fraud Team, which has been set up with Warrington council in response to the transfer of responsibility for the investigation of Housing Benefit and Council Tax Benefit to the DWP's Single Fraud Investigation Service (SFIS). Their role is to investigate potential frauds in council tax support, council tax discount and business rates systems, which remain the responsibility of the council. The team has also extended investigative work into other areas such as direct payments and tenancy fraud. A separate counter fraud plan of work will be developed for 2019/20.
- 3.4. After the potential areas have been prioritised, the available days are matched against these risk areas. There will always be some lower risks that fall outside of the Audit Plan due to a lack of available days.

**4. Flexibility in the Plan**

- 4.1. The plan reflects the assurance need, however, it is recognised that priorities are subject to change
- 4.2. Major changes that affect the council need to be introduced into the planning process as, and when, they occur. It is therefore crucial to have a flexible plan capable of allowing auditable areas to be re-prioritised as circumstances and relative risks change to ensure that internal audit respond appropriately to emerging issues and risks.
- 4.3. The plan includes an element of contingency to help enable us to respond by undertaking reactive audit work when called upon.
- 4.4. We accept that there may be a need to amend our planned audits so that we continue to reflect the needs of the council. We will discuss minor changes with the Chief Finance Officer; any significant matters that impact upon completion of the plan or require substantial changes will be reported to Senior Leadership Team and to the Audit and Accounts Committee.

**5. Assurance Framework**

- 5.1. Internal controls exist to mitigate the risks that threaten the achievement of the council's objectives. In order to have effective internal control, once the objectives have been established, there is a need to ensure that management:
- Has identified and assessed the risks that threaten the achievement of those objectives;

- Has designed internal controls to manage those risks where the assessment identifies that they cannot be accepted; and
  - Ensure that employees operate the designed controls effectively.
- 5.2. The framework of assurance is used by the council to ensure that it is properly informed on the risks of not meeting its objectives or delivering appropriate outcomes and that it has adequate assurances on the design and operation of the systems in place to mitigate those risks.
- 5.3. The council has established a Governance Group that oversees the framework of assurance. On a cyclical basis the Group will oversee the progress of other groups and key partners that provide key assurances.
- 5.4. Internal audit's role in the framework for assurance is to provide assurance in accordance with the planned work and assess the assurances from other providers in order to formulate and co-ordinate assurance needs.

## **6. Liaison with External Audit and Other Providers of Assurance**

- 6.1. We have a continued working relationship with External Audit that encompasses regular meetings and sharing of information so that we avoid unnecessary overlap.
- 6.2. Where our work does overlap then we will ensure that our resources are used in a complementary manner so that the council receives the optimum benefit from our two plans.
- 6.3. We are continuing to map assurances received by the council to ensure that our work does not duplicate that of other assurers.

## **7. Compliance with Public Sector Internal Audit Standards**

- 7.1. Public Sector Internal Audit Standards (PSIAS) require the formal documenting of a Quality Assurance and Improvement Programme (QAIP). The QAIP covers all aspects of the internal audit activity and enables compliance with all aspects of the PSIAS to be evaluated.
- 7.2. As part of the QAIP, compliance with the Standards is subject to assessment. This includes:
- a self-assessment on a regular basis; and
  - an external assessment which must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.
- 7.3. An external assessment was undertaken during November 2017/18 which confirmed that the Internal Audit Service conforms to the Standards.
- 7.4. External audit also assess the adequacy of internal audit's work for their annual review.



## 8. Planned Work 2019/20

- 8.1. The Audit Plan is stated in terms of the number of days input which is estimated as accurately as possible based on available staff resources. The plan, therefore, represents the best estimate of the audit resources available and the ways in which they will be deployed.
- 8.2. The plan is based upon a full complement of staff and the total number of available audit days in the year after deductions for holidays; an estimate of days for sickness absence; training; and a minimal number of administration or other time not spent on audit work.
- 8.3. The internal audit team continue the collaborative agreement with Warrington Borough Council for internal audit work. The collaboration aims to ensure the adequacy and effectiveness of the council's internal audit service to ensure that resources can be maintained and the Committee can continue to place reliance upon the service. Work will continue in 2019/20 to build upon the collaborative working arrangements with internal audit teams in other neighbouring Authorities and partner organisations including the CCG and SRFT internal audit teams.
- 8.4. A total number of 15 days in the 2019/20 plan have been allocated to cater for assurance work collaborating with GMCA.

## 9. Resources, Skills, and Continued Professional Development

- 9.1. Internal Audit has been resourced in order to meet its objectives and provide sufficient assurance to meet the needs of the Audit and Accounts Committee in fulfilling its duties.
- 9.2. The Internal Audit team has staff with appropriate qualifications, skills and experience, supported by the necessary equipment and software to enable the team to function efficiently and effectively.
- 9.3. Internal Audit is managed by the Head of Internal Audit (a shared post with Warrington Borough Council) who is a Chartered Member of the Institute of Internal Audit (CMIIA), thereby meeting the PSIAS requirement that the Head of Internal Audit be professionally qualified.
- 9.4. The audit team consists of five auditors, and an additional resource equivalent to half principal auditor, supplied by Warrington Borough Council:

Audit Manager	Experience:	16 years
	Qualifications:	Chartered Internal Auditor (CMIIA) Chartered Public Finance Accountant (CPFA) Certified Internal Auditor (CIA) Accredited Counter Fraud Specialist (ACFS)
	Hours:	Full time (36 hours)
Principal Auditor	Experience:	17 years
	Qualifications:	Chartered Internal Auditor (CMIIA) Certified Internal Auditor (CIA) Certified Information Systems Auditor (CISA) PRINCE2 & MSP Foundation
	Hours:	Full time (36 hours)

Principal Auditor	Experiences:	20 years
	Qualification:	Chartered Internal Auditor (CMIIA) Certified Internal Auditor (CIA)
	Hours:	Full time (36 hours)
Senior Auditor	Experiences:	13 ½ years
	Qualification:	CIPFA Accredited Counter Fraud Technician
	Hours:	Full time (36 hours)
Senior Auditor	Experiences:	5 ½ years
	Qualification:	Association of Accounting Technicians (AAT)
	Hours:	Full time (36 hours)
Senior Auditor	Experiences:	4 ½ years
	Qualification:	Honours degree in Law
	Hours:	Full time (36 hours)

- 9.5. Internal Audit, and individual membership of the various professional bodies, requires continued professional development in order to ensure that the auditors maintain up-to-date knowledge and skills and can respond to the needs of the internal audit function and changes in the professional practice of internal audit.
- 9.6. The internal auditors are ‘agile workers’, enabled to work within the main office, home, or audit location. To achieve this each auditor has an encrypted laptop and can connect to the main server from within the main office or any accessible broadband connection.
- 9.7. The auditors are subject to a regular staff appraisal where their skills and experience are evaluated against predefined competencies for internal auditors alongside the council’s annual ‘personal development reviews’. Any specific training needs are highlighted and documented through this process and those needs addressed when funding is available.
- 9.8. Two of the senior auditors have received approval to commence apprenticeship training during 2019/20 towards CIPFA and Certified Internal Auditor qualifications respectively.

### **Information Technology Audit**

- 9.9. It has been recognised that the audit of Information Communication Technology (ICT) presents specific challenges and many aspects require specialist knowledge of ICT to enable its effective audit and the development of actions to address areas of weakness.
- 9.10. To meet this need the council’s IT Audit team will provide 120 days’ work in 2019/20 on ICT related audit work. The IT Audit team has four ICT audit specialists, providing services to Greater Manchester’s local authorities and public sector organisations across the North West.

## **10. Conclusion**

- 10.1. The Internal Audit Plan has been compiled in accordance with the PSIAS and is linked to the council's objectives and risks.
- 10.2. The plan has taken into account all the activities of the council and available internal audit resources.
- 10.3. Completion of the Audit Plan will enable the Head of Internal Audit to form an opinion on the council's system of internal control, risk management and governance along with assisting the council to achieve its stated objectives and informing the Annual Governance Statement.

## Appendix A – Internal Audit Plan 2019/20

<b>CORPORATE GOVERNANCE</b>			
<b>Audit Activity</b>	<b>Links to Link to the Council's Objectives and Key Risks</b>	<b>Initial Brief</b>	<b>Indicative Days</b>
<b>Governance Arrangements / AGS</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Loss of accountability; lack of corporate ownership of decision-making; and possible failure to deliver the expected level of services to residents.</p>	<p>Code of Corporate Governance</p> <p>Relations with Stakeholders and Partners</p> <p>Annual Governance Statement</p> <p>Attendance at Officer Governance Group.</p>	10
<b>Risk Management and Assurance Framework</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Failure to identify major risks that may prevent the Council from achieving one or more of its objectives.</p> <p>Failure to ensure that the major risks are being managed.</p>	<p>Review of the council's risk management strategy and arrangements for the maintenance of risk registers.</p> <p>Review the associated information management system and reporting arrangements.</p>	15
<b>Information Governance</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Non-compliance with statutory Information Governance requirements and potential data breach. (Linked risk: SRRA10 &amp; SRRA07)</p>	<p>Supporting Information Governance team's response to the Information Commissioner's inspection and the council's embedding of the General Data Protection Regulations.</p>	25
<b>Partnerships &amp; Assurance Framework</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Strategic partnerships may not deliver expected outcomes or meet expectations.</p>	<p>Review of assurances the council receives from key partners, and how that assurance helps to inform the work of the council's Audit &amp; Accounts Committee and the Annual Governance Statement.</p>	20
<b>Total:</b>			<b>70</b>

<b>SERVICE REFORM</b>			
<b>Audit Activity</b>	<b>Link to the Council's Objectives and Key Risks</b>	<b>Initial Brief</b>	<b>Indicative Days</b>
<b>Supporting Transformation and Change</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Failure to realise the projected benefits and savings. Poor/ weak controls implemented in new systems. (Linked risk: PL.04 &amp; CBRMP01) (Linked risk: SRRA05)</p>	<p>Ad hoc advice, assurance and consultative support on a case-by-case basis to transformation work strands and similar initiatives, including 'squads'.</p> <p>Focus placed on reviewing proposed changes to processes and the impact on the control environment and risk mitigation.</p>	25
<b>Corporate Complaints</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Failure to comply with council policy and regulations.</p>	<p>Review of procedures to respond to the Ombudsman's referrals, customer complaints and FOI requests. Scope to include various ombudsmen.</p>	15
<b>Contract Management</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Failure to get the best value for money and outcomes achievable from contractual arrangements.</p>	<p>Ad hoc reviews of significant contracts and the arrangements in place for their economical / effective use and arrangements in place to monitor the quality of provision</p>	25
<b>Pensions</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Errors in payments to the pension administrators could result in miss-statements in the council's accounts. (Linked risk: SRRA05)</p>	<p>An in depth review of the processes in place to discharge the council's responsibilities in respect of pensions and the payments made to the various pension providers.</p> <p>Link to internal review.</p>	15
<b>Modern Slavery</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Great Eight: Social impact</p> <p>Risk: Failure to comply with law / regulations and reputational damage to the council reputation</p>	<p>Issues around modern slavery are prominent nationally.</p> <p>Review to focus on the council's response to meeting its regulatory and ethical responsibilities, including e-learning and accreditation.</p>	10

<b>Statutory Returns (Data Integrity and Resources) (BF)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Non-compliance with national requirements. Poor quality data to support decision making.</p>	<p>Review of the arrangements in place to ensure high quality data is provided timely to Government Departments.</p> <p>The review is also intended to consider the resourcing / capacity of the organisation to meet its obligations in this respect.</p>	<p>15</p>
<b>Community Awards (Assurance to Sponsors)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Great Eight: Social impact</p> <p>Risk: Failure to meet sponsors expectations, placing future sponsorship at risk.</p>	<p>The council is in receipt of sponsorship from several organisations, providing funding towards the Salford's Community Awards.</p> <p>Independent assurance on the expenditure should help secure future funding and establish greater trust.</p>	<p>5</p>
<b>Member Allowances / Payments</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Loss of accountability; lack of corporate ownership of decision-making; and possible failure to deliver the expected level of services to residents.</p>	<p>The council spends close to £1m annually on member allowances and expenses.</p> <p>Review to focus on the transparency and compliance of the arrangements in place for administration of payments to members.</p>	<p>TBC *</p>
<b>Agency Workers</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Failure to comply with law / regulations; uneconomical use of resources; negative impact on quality and the provision of some services. (Linked risk: SRRA05)</p>	<p>The council uses agency workers in various areas of its business.</p> <p>Review to focus on the arrangements in place to manage and control the council's use of agency workers. Link to contract work – off contract spend.</p>	<p>TBC *</p>
<b>Planning, Risk and Performance (BF)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Reputational risk of poor transparency / weak reporting arrangements.</p>	<p>Public performance reporting.</p> <p>Potentially a joint review with the CCG. Developing more public reporting and more transparency.</p>	<p>TBC *</p>
<p>Total:</p>			<p>110</p>

<b>SERVICE REFORM (Core Financial Systems)</b>			
<b>Audit Activity</b>	<b>Link to the Council's Objectives and Key Risks</b>	<b>Initial Brief</b>	<b>Indicative Days</b>
<b>Main Accounting System (bf)</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Errors and omissions resulting in weaknesses in the integrity of financial data and statements.</p> <p>(Linked risk: SRRA05)</p>	Routine review of the council's main accounting processes. The work will be discussed with the external auditor to avoid duplication.	15
<b>Accounts Payable (Creditors)</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Errors and omissions resulting in weaknesses in the integrity of financial data and statements.</p>	Routine review of the council's arrangements for receipt of goods or services and payment of invoices.	15
<b>Council Tax, Business Rates and Housing Benefits (Service Redesign)</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Great Eight: Tackling poverty and inequality</p> <p>Risk: Wasted resources changing / building in control at a later date. Missed opportunities to maximise income due and reduce fraud / crime.</p> <p>(Linked risk: SRRA06)</p>	There is a programme of work in place to re-design/develop the 3 service areas. Internal audit to review these 3 areas post implementation.	35
<b>Payroll Function</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Errors and omissions resulting in weaknesses in the integrity of financial data and statements.</p>	Detailed reviews of the main payroll process in relation to 'Change of Details, 'lifecycle' and 'payment' Additional work on payroll calculations, supporting the external auditor.	45
<b>Debt Recovery and Write-offs</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Great Eight: Tackling poverty and inequality</p> <p>Risk: Weak or delayed recovery arrangements increase the likelihood that debts will not be recovered, reducing the council's income.</p> <p>(Linked risk: SRRA05)</p>	Complementing the 2018/19 work within the Finance Team, undertaking 'health check' reviews within front line services to provide assurance that those services are taking action mitigate the risk of delayed payments and write offs.	15
<b>Total:</b>			<b>125</b>

<b>SERVICE REFORM (Grants &amp; Verification)</b>			
<b>Audit Activity</b>	<b>Link to the Council's Objectives and Key Risks</b>	<b>Initial Brief</b>	<b>Indicative Days</b>
<b>Greaves Trust</b>	Great Eight: Social impact Risk: Failure to comply with regulations.	Independent review of Greaves Trust's annual accounts.	5
<b>Grant Reviews / Audit Certification</b>	Great Eight: Cross-cutting / enabling Risk: Failure to comply with grant requirements.	Grant reviews anticipated during 2019/20 include: <ul style="list-style-type: none"> <li>Local Growth Fund</li> <li>Transport – Bus Subsidy</li> <li>Cycle City</li> <li>Highways – Potholes &amp; Flood Resilience</li> <li>Empty Homes Grant</li> </ul>	15
<b>Helping Families (Troubled Families)</b>	Great Eight: Tackling poverty and inequality Risk: Failure to comply with grant requirements and potentially failure to deliver programme objectives.	GMCA have been granted devolved powers over the programme and are collaborating to develop a more traditional / risk based approach to this annual assurance work. Reviews to be undertaken once or twice a year as directed by GMCA and the agreement.	15
Total:			35
<b>SERVICE REFORM (Information Technology)</b>			
<b>Audit Activity</b>	<b>Link to the Council's Objectives and Key Risks</b>	<b>Initial Brief</b>	<b>Indicative Days</b>
<b>Cyber Security</b>	Great Eight: Cross-cutting / enabling Risk: Failure to adequately secure systems could result in a data breach, loss of service and loss of data (Linked risk: SRRA07)	Annual work assessing how the ICT are equipped to Identify, Respond, Detect, Protect, Detect, Respond and Recover to an incident.	15
<b>Information Security Management Standard (ISMS)</b>	Great Eight: Cross-cutting / enabling Risk: Failure to meet continued certification to ISO27001 resulting in an inability to continue commercial ventures (Linked risk: SRRA07)	Annual requirement of ISO27001 compliance is for Internal Audit to review the ISMS	5



<b>PCI Compliance</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: banks removing the ability to use card payments should the Council not be compliant to PCI DSS standards (Linked risk: SRRA07)</p>	<p>Annual internal and external quarterly vulnerability scans to monitor and maintain PCI compliance</p>	<p>8</p>
<b>Social care application upgrade / replacement (bf)</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: New social care system needs to be procured, if robust project management is not in place to oversee the change, costs could escalate significantly</p>	<p>Review of the plans, processes, resourcing and controls operated to provide assurance that the risks from the upgrade/ replacement have been identified and mitigated.</p>	<p>10</p>
<b>SAP Security Management (bf)</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Unauthorised and inappropriate access due to poorly configured roles</p>	<p>Utilising known areas of concern on the current platform, assessing plans in place to review roles under the new S4 HANA platform</p>	<p>17</p>
<b>Disaster Recovery (bf)</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Unable to respond and recover to a loss in service (Linked risk: SRRA07)</p>	<p>Assessing new plans in place to move the existing DR site to a 3<sup>rd</sup> party provider, ensuring a due diligence process has been robust. This is a significant change under ISO27001 certification and will be a requirement that the change has been independently reviewed.</p>	<p>10</p>
<b>IT Strategy (bf)</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Failure to design and manage effective IT Strategy could result in the adoption of uncontrolled IT investment and resource utilisation.</p>	<p>Assess the current IT strategy to ensure it is aligned to the core business strategy</p>	<p>10</p>
<b>Incident Management</b>	<p>Great Eight: Cross-cutting / enabling</p> <p>Risk: Increased risk of serious incidents not being dealt with promptly. Financial penalties from the ICO for data loss. Failure to meet ISO27001 standard (Linked risk: SRRA08)</p>	<p>Review of Incident Management policy, recent responses to incidents, training and the incident recording system.</p>	<p>15</p>

<b>IT Change Management</b>	Great Eight: Cross-cutting / enabling Risk: Security of network compromised. Failure to meet ISO27001 standard. (Linked risk: SRRA07)	Review change management policy, system and procedures, including sample testing of changes to determine if they follow the set policy/procedures.	15
<b>New Service Desk Application</b>	Great Eight: Cross-cutting / enabling Risk: Raised faults and work requests are not dealt with efficiently and effectively. Critical faults are not prioritised	Review the new service desk application to evaluate if it is being used effectively, has appropriate access controls and audit trails enabled.	15
Total:			120
<b>PLACE</b>			
<b>Audit Activity</b>	<b>Links to Link to the Council's Objectives and Key Risks</b>	<b>Initial Brief</b>	<b>Indicative Days</b>
<b>Mercury Abatement Regulations</b>	Great Eight: A Transparent effective organisation Risk: Failure to comply with requirements of the Environmental Protection Act.	Review of cremation records and reports.	5
<b>Carbon Reduction Commitment</b>	Great Eight: Transport Risk: Failure to comply with Carbon Reduction Commitment Energy Efficiency Scheme.	Regular review of evidence pack for CRC scheme and accuracy of data submitted.	5
<b>CCTV Control Room</b>	Great Eight: Social impact Risk: Failure to maintain ISO accreditation could impact the council's reputation and the reliance placed on the CCTV function in supporting other agencies.	Annual review. As part of maintaining the CCTV control room's ISO accreditation, the service must produce an annual report. This report needs to be independently validated.	5

<b>Empty Homes</b>	Great Eight: A Transparent effective organisation	Following up on our work in 2015/16 to provide audit committee assurance that the risk of fraud is being effectively mitigated and considering the team's broader engagement with regulatory services.	10
	Great Eight: Housing Risk: Nationally an area known to be at significant risk of fraud if robust controls are not in place.		
<b>UV Transition Programme</b>	Great Eight: Cross-cutting / enabling	Ad hoc audit work (assurance and/or consultancy) to support the work programme to bring UV services back 'in house'.	25
	Risk: Interruption to business processes could impact service delivery. Missed opportunities to improve business systems and processes. Loss of expertise and knowledge.		
<b>Major Projects</b>	Great Eight: A Transparent effective organisation	Ad hoc project assurance. Individually scoped reviews on a sample of major projects.	15
	Risk: Projects may not run to time and cost, or not realise the benefits or outcomes anticipated. (Linked risk: SRRA05)		
<b>UV Profit Share</b>	Great Eight: Social impact	The council's UV Partnership is expected to deliver work for other organisations regionally and nationally, sharing the profits with the council. Review of the profit share mechanism in the contract with UV and the benefits realised by SCC.	10
	Risk: The council may not be receiving the anticipated level of income. (Linked risk: SRRA05)		
<b>SCL Client Side Function</b>	Great Eight: Cross-cutting / enabling	Review focusing on the management of costs, performance and outcomes in relation to the contract with SCL.	10
	Risk: Failure of the arrangements in place to deliver the anticipated outcomes or represent value for money for the council's investment.		
<b>Section 106 Agreements</b>	Great Eight: Social impact	Review of the arrangements in place to manage Section 106 agreements, including 'viability assessments' in respect of the number of affordable homes to be included as part of housing developments.	TBC *
	Great Eight: Housing Risk: Developers and/or the council fail to meet their respective commitments, undermining outcomes or resulting in financial loss.		
Total:			85

<b>PEOPLE</b>			
<b>Audit Activity</b>	<b>Link to the Council's Objectives and Key Risks</b>	<b>Initial Brief</b>	<b>Indicative Days</b>
<b>Client Charging Policy</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Loss of income due to weak or ineffective arrangements of collection or overly lenient approach to enforcement. (Linked risk: AS.01)</p>	Review focusing on the Client Charging Policy, including collection, debts and write-offs / no further action. Responsibilities for its application rest with both the Salford Care Organisation and SCC, with risk shared by the CCG.	15
<b>SEND - High Needs / Transition</b>	<p>Great Eight: Education and skills</p> <p>Risk: Increasing number of individuals approved for high need / SEND funding placing greater demand on available resources.(Linked risk: SRRA05)</p>	Scope to be confirmed. Potentially either audit work focusing on transition, or a 'higher level' piece around high needs, funding more generally.	25
<b>Personal Budgets</b>	<p>Great Eight: Health &amp; social care</p> <p>Risk: Funds provided to meet individuals' social care and support needs are not being used as agreed and fail to deliver the anticipated outcomes. (Linked risk: SRRA05)</p>	Complementing the 2018/19 work on Direct Payments, a similar review of the council's approach to the administration of personal budgets. A review to be undertaken within Children's Services, and potentially a second review in relation to Adult services.	20 15
<b>Integrated Commissioning (Children's) – Embedding the new Arrangements</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Weak arrangements to deliver the anticipated benefits of integrated commissioning will undermine outcomes.</p>	Follow-up of our 2018/19 work on the implementation programme. Assurance on the process established as part of the integration and embedding new practices and governance arrangements.	20
<b>Pupil Modelling and Planning (BF)</b>	<p>Great Eight: Education and skills</p> <p>Risk: Failure to forecast and prepare adequately for population change will result in an imbalance between need and capacity (Linked risk: CS.02 &amp; SRRA01).</p>	Review the revised approach to pupil modelling the associated modelling data. Possible links to the broader challenges of population planning. Review to include consideration of the peer review in Lambeth Council.	15

<b>Use of Section 17 Funds</b>	<p>Great Eight: Tackling poverty and inequality Great Eight: Health &amp; social care</p> <p>Risk: Section 17 not put to best use or used for things, which if paid from other budgets would be recoverable from the Government.</p>	<p>A review focusing on the use of Section 17 funds. The review will consider whether the elements of support that it is being used for would be more appropriately funded from other budgets, enabling some types of expenditure to be reclaimed from central government.</p>	<p>15</p>
<b>Community Grants</b>	<p>Great Eight: Social impact</p> <p>Risk: Funding provided to community groups and 3<sup>rd</sup> Sector organisations doesn't deliver the anticipated outcomes or those groups / organisations are unable to demonstrate appropriate use of public funds.</p>	<p>A review of a sample of grants to provide assurance regarding the transparent management, administration and monitoring arrangements.</p>	<p>TBC *</p>
<b>Youth Offending Services</b>	<p>Great Eight: Social impact</p> <p>Risk: Services may be ineffective at reducing rates of recidivism and incarceration, negatively impacting upon longer term social outcomes and costs to society.</p>	<p>Review of the services in place to work with young offenders and helping them in their rehabilitation.</p>	<p>TBC *</p>
<p>Total:</p>			<p>125</p>
<p><b>PEOPLE (Establishments)</b></p>			
<p><i>Audit Activity</i></p>	<p><i>Link to the Council's Objectives and Key Risks</i></p>	<p><i>Initial Brief</i></p>	<p><i>Indicative Days</i></p>
<b>Children's Homes</b>	<p>Great Eight: Health &amp; social care</p> <p>Risk: Poor record keeping and lack of consistent procedures/practices resulting in fraud or error.</p>	<p>Site visits examining the financial and administrative 'control environment' in Salford's Children's Homes.</p>	<p>6</p>
<b>High / Special Schools</b>	<p>Great Eight: Education and skills</p> <p>Risk: Financial irregularities, deficit budgets, breach of the Scheme of Delegation for Schools, and increased risk of fraud or loss.</p>	<p>Undertake a standard review of the governance, financial, and administrative arrangements, including service provision, security at:</p> <ul style="list-style-type: none"> <li>• St Ambrose Barlow RC High School</li> <li>• Broadwalk PRU</li> </ul>	<p>12</p>

<b>Primary Schools</b>	<p>Great Eight: Education and skills</p> <p>Risk: Financial irregularities, deficit budgets, breach of the Scheme of Delegation for Schools, and increased risk of fraud or loss.</p>	<p>Undertake a standard review of the governance, financial, and administrative arrangements, including service provision, security. The provisional list of schools (to be confirmed with the AD Education, Work and Skills), is largely based on time since last review, budgetary position and management changes and includes:</p> <ul style="list-style-type: none"> <li>• St Andrew's Eccles CE</li> <li>• St Sebastian's RC</li> <li>• North Walkden</li> <li>• Grosvenor Road</li> <li>• St George's CE</li> <li>• St Thomas of Canterbury</li> <li>• St Andrews Boothstown</li> <li>• St Paul's (Crompton St)</li> <li>• Willow Tree</li> <li>• James Brindley</li> <li>• Wharton</li> <li>• Peel Hall</li> <li>• Moorfield</li> <li>• Lark Hill</li> <li>• Ellenbrook</li> <li>• Summerville</li> </ul>	80
<b>Schools Financial Value Standard</b>	<p>Great Eight: Education and skills</p> <p>Risk: The reputation of the council and Salford's schools damaged by failure to meet national requirements.</p>	Verification work on the Salford schools annual returns.	10
<b>School governance support and test plan development</b>	<p>Great Eight: Education and skills</p> <p>Risk: Failure of the audit approach to keep pace with changes within schools will reduce the effectiveness of the audit approach.</p>	<p>Consultative support to schools / governor services.</p> <p>Maintaining awareness of the schools regulatory environment and issues affecting risk and financial management and updating the audit test plan.</p>	7
Total:			115

<b>OTHER COMMITMENTS</b>	
<i>Activity</i>	<i>Indicative Days</i>
<b>Completion of work commenced during 2018/19</b> (Inc. Out of Borough Placements, Homelessness, and Business Continuity)	50
<b>Post Implementation Reviews and Action Tracking</b>	45
<b>GMCA Collaboration / Ad hoc GM assurance work</b>	15
<b>Reactive Investigations and supporting the council's counter fraud strategy</b>	100
<b>Audit Management</b>	135
<b>Contingency for reactive or unplanned work</b>	89
Total:	434
Combined Total:	1219

\* TBC These reviews have been included above but a resource (indicative days) not allocated. It is intended that these audits will either be undertaken as part of the 2020/21 plan, or undertaken in 2019/20 if a resource becomes available or priorities change. These audits will be discussed with the respective management team again at that time.