

**INTERNAL AUDIT SERVICES**

**DRAFT**

**INTERNAL AUDIT**

**ANNUAL**

**STRATEGY AND PLAN**

**FOR**

**SALFORD CITY COUNCIL**

**2021/22**

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SALFORD INTERNAL AUDIT  
DRAFT ANNUAL STRATEGY AND PLAN 2021/22

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## 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 2021/22 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 the CCG.
- 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 2021/22 takes into account the council's Strategic risk register and the views of senior management on the risks they manage within their services. The plan 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 leadership / 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;
  - the continued impact of Covid-19;
  - changes in the operating environment of the council; in particular:
    - the council's continued transformation of services through squads and re/co-design processes
    - 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 CCG and Salford Care Organisation
  - internal audit's cumulative knowledge of the council and national developments; 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;
- Risk Management; and
- Business Continuity.

### **Key Business Systems**

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

### **Other Risk Areas:**

The council may request our input into specific areas of risk where our assurance or assistance has been deemed 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.
- 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 2021/22 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 extent to which we are able to complete all of the planned work will depend to some extent on the speed with which COVID restrictions are eased.
- 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 can undertake fact-finding investigations and provide speciality support to Investigating Officers in potential cases of fraud, bribery and corruption or where they audit skills are required. 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 has been developed for 2021/22.
- 3.4. After the potential areas have been prioritised, the available days are matched against these risk areas. There will always be some lower priority 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 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 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 of 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 2021/22**

- 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 (See 8.2 below) and an initial estimate for of the time (indicative days) it is likely to take to complete the individual audit engagements. The plan, therefore, is ambitious and represents the best estimate of the audit resources available and the ways in which they will be deployed, but may change as circumstances dictate.
- 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 / apprenticeships; 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 so that resources can be maintained and the Committee can continue to place reliance upon the service.
- 8.4. Work will continue 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.
- 8.5. The plan includes resource allocated to cater for collaborating with GMCA and providing assurance in relation to initiatives and schemes funded via 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 an audit manager and five auditors:

Audit Manager	Experience:	17 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:	18 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	Experience:	21 years
	Qualifications:	Chartered Internal Auditor (CMIIA) Certified Internal Auditor (CIA)
	Hours:	Full time (36 hours)
Senior Auditor	Experience:	6 ½ years
	Qualifications:	Association of Accounting Technicians (AAT) Current CIPFA Apprentice
	Hours:	Full time (36 hours)
Senior Auditor	Experience:	5 ½ years
	Qualifications:	Honours degree in Law
	Hours:	Full time (36 hours)

- 9.5. We will start 2021/22 with a shortfall in resource due to maternity leave (est. 135 'audit days' lost from the plan). There is also a vacancy on the team for a Senior Auditor that we are looking to replace with a suitably skilled and experienced individual as soon as possible. The impact of the vacancy on the plan may be around 15 to 20 'audit days' per month.
- 9.6. An additional resource equivalent to 0.5 FTE principal auditor is supplied by Warrington Borough Council as part of the ongoing collaboration.

- 9.7. The current Head of Audit retires in April 2021 and the Audit Manager from Warrington has been appointed to the post. This will present an opportunity to review the structure of the Warrington and Salford Audit teams and may result in some changes to the joint working arrangements described above.
- 9.8. 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.
- 9.9. The internal auditors are 'agile workers', enabled to work within the main office, home, or any location with SCC network access or broadband connection. Each auditor has an encrypted laptop and access to software such as Microsoft Teams to support their ability to work from the most appropriate location.
- 9.10. 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.

### **Information Technology Audit**

- 9.11. 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.
- 9.12. To meet this need the council's IT Audit team will provide 130 'audit days' work on ICT engagements. The IT Audit team has five ICT audit specialists, providing services to Greater Manchester's local authorities and other public sector organisations across the wider northern region.

## **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 discussions have been held on the continuing impact of Covid-19 on available service and 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.
- 10.4. The audits outstanding at the end of each year will transfer into the following year's audit plan, subject to regular consultation with the leadership teams.

## Appendix A – Internal Audit Plan 2021/22

<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. 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.</p> <p><i>(Linked strategic risk SRRA10 &amp; SRR.006)**</i></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>	20
<b>Transformation, Change &amp; Squads Support</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Failure to realise the projected benefits and savings. Poor/ weak controls implemented in new systems.</p> <p><i>(Linked strategic risk SRRA05 &amp; SRR.010)**</i></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>	20
Total:			65

<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>Housing Benefits Service Redesign</b>	<p>Great Eight: Transport</p> <p>Great Eight: Tackling poverty and inequality</p> <p>Risk: Failure to process applications promptly may impact on the wellbeing of eligible applicants. <i>(Linked strategic risk SRR.004)**</i></p>	The service / processes have been through a redesign and changes in response to the implementation of new assessment criteria nationally. Assurance is sought on the new process and consultative advice on any further enhancements that may be possible. The council's obligations with regard to the use of DWP data/systems will also be included.	20
<b>Agency Workers (b/f)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Failure to comply with law / regulations; uneconomical use of resources; negative impact on quality and the provision of some services. <i>(Linked strategic risk SRRA05 &amp; SRR.009)**</i></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>	15
<b>Contract Management</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Failure to get the best value for money and outcomes achievable from contractual arrangements. <i>(Linked strategic risk SRRA10 &amp; SRR.009)**</i></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.	15
<b>Member Allowances and Payments (b/f)</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>	Routine review to focus on the transparency and compliance of the arrangements in place for administration of payments to members.	10
<b>Modern Slavery (b/f)</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, internally and our communities.</p>	15

<b>Statutory Returns - Data Integrity &amp; 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. (Linked strategic risk SRRA10 &amp; SRR.002)**</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>	15
<b>Gifts &amp; Hospitality</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Failure to comply with council policy and regulations. (Linked strategic risk SRRA05)**</p>	<p>Review of procedures and policy in place.</p>	10
<b>Service Reform Forward Plan: Register of Business Interests</b>			
Total:			100

<b>SERVICE REFORM (Grants &amp; Verification)</b>			
<i>Audit Activity</i>	<i>Link to the Council's Objectives and Key Risks</i>	<i>Initial Brief</i>	<i>Indicative Days</i>
<b>Greaves Trust</b>	<p>Great Eight: Social impact</p> <p>Risk: Failure to comply with regulations.</p>	<p>Independent review of Greaves Trust's annual accounts.</p>	3
<b>Grant Reviews / Audit Certification</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Failure to comply with grant requirements.</p>	<p>Grant reviews anticipated during 2020/21</p>	12
Total:			15

<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>Budgetary Control</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Failure to identify budget variances promptly and take corrective action taken.</p> <p>(Linked strategic risk SRR.A05 &amp; SRR.003)**</p>	Routine review of the council's approach to budget development, monitoring/forecasting and taking action to address significant variances.	15
<b>Main Accounting System (bf)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Errors and omissions resulting in weaknesses in the integrity of financial data and statements.</p>	Routine review of the council's main accounting processes. The work will be discussed with the external auditor to avoid duplication.	20
<b>Payroll Payments (bf)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Errors and omissions resulting in weaknesses in the integrity of financial data and statements.</p>	A review of the processes and controls in place regarding payments made by the payroll function to other organisations. (Started in 2020/21)	15
<b>Treasury Management</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Poor practices may result in lower returns on investments, higher costs of borrowing or penalties.</p>	Routine review of the council's arrangements for treasury management.	15
<b>Financial Systems Forward Plan</b> * Regular/cyclical reviews of the above and Fixed Assets; Accounts Receivable (Debtors); Cash & Bank; and Accounts Payable, Payroll			
Total:			65

<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>Data Centre (Physical and Environmental Security)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Failure to adequately physically secure and environmentally protect systems could result in a data breach, loss of service / downtime and loss of data. (Linked strategic risk <i>SRRA07 &amp; SRR.006</i>)**</p>	Review assessing how the ICT are equipped to mitigate physical and environmental risks to the data centre.	5
<b>Asset Management (PIR)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Poor quality data to support decision making, planning and asset valuations. Lack of awareness of missing assets, increased risk of theft, and potential data security implications. (Linked strategic risk <i>SRRA07 &amp; SRR.006</i>)**</p>	Follow up review of the In-house developed asset management system.	5
<b>PCI Compliance</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: The council could be fined in the event of non-compliance to the PCI DSS standard or potentially the ability for the council to take card payments could be revoked by the banks. (Linked strategic risk <i>SRRA07 &amp; SRR.006</i>)**</p>	Annual internal and external quarterly vulnerability scans to monitor and maintain PCI compliance.	10
<b>Project Imagine (CareFirst system replacement)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Great Eight: Health &amp; social care</p> <p>Risk: If robust project management is not in place to oversee the change, costs could escalate significantly, delays could occur, or envisaged benefits not realised. (Linked strategic risks <i>SRRB01, SRRA07 &amp; SRR.006</i>)**</p>	Consultative support / ad hoc reviews supporting the project.	10



<p><b>ISO 27001</b></p>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Weaknesses in the expected control framework may expose the council to information security risks, including information security breaches or data loss.</p> <p><i>(Linked strategic risk SRR.A07 &amp; SRR.006)**</i></p>	<p>ISO/IEC 27001 is an information security standard. Continued audit support for compliance to ISO 27001 Certification.</p>	<p>20</p>
<p><b>JCAD</b></p>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Poor security surrounding could result in a data breach and a potentially significant fine imposed by the ICO.</p> <p><i>(Linked strategic risk SRR.A07 &amp; SRR.006)**</i></p>	<p>JCAD / 3rd party supplier hosting the council's insurance data. Site visit to provide assurance n the arrangements in place.</p>	<p>2</p>
<p><b>SOC Support</b></p>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: A poorly managed Security Operations Centre (SOC) may not provide the right level of service need to protect Salford systems from a cyber type attack.</p> <p><i>(Linked strategic risk SRR.006)**</i></p>	<p>Ad hoc consultative support and/or assurance for the development of SOC.</p>	<p>20</p>
<p><b>SAP Access Control</b></p>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Weak access controls can result in unauthorised and inappropriate access to key financial systems.</p> <p><i>(Linked strategic risk SRR.006)**</i></p>	<p>Assessing role based access management.</p>	<p>20</p>
<p><b>Data Analytics</b></p>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Errors in data quality can result in duplicate payments and potential fraud within key financial systems.</p> <p><i>(Linked strategic risk SRR.006)**</i></p>	<p>Ad hoc assurance exercises in corporate data analysis using IDEA to interrogate council datasets.</p>	<p>20</p>

<b>Civica Pay</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Poorly configured system could result in non-compliance with PCI standards and data quality issues within information transferred in to SAP.</p> <p>(Linked strategic risk SRR.006)**</p>	Assessing compliance to PCI and interfaces with SAP.	8
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>CCTV Control Room (ISO Compliance)</b>	<p>Great Eight: Social impact</p> <p>Risk: Failure to maintain ISO accreditation could impact the council's reputation and the reliance placed on the CCTV function in supporting other agencies and community safety.</p>	Routine 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.	3
<b>Construction Services (Inventory)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Weaknesses in the control of assets and stock may result in losses and/or increased costs.</p> <p>(Linked strategic risk SRRA05)**</p>	Review arrangements to manage the assets (equipment) and stock of construction materials at the former UV depot, following their return to SCC.	15
<b>Major Projects – University &amp; Crescent Programme Governance</b>	<p>Great Eight: Economic development</p> <p>Great Eight: Housing</p> <p>Risk: Ineffective or weak governance arrangements may undermine the outcomes of the programme and the management of associated risks.</p> <p>(Linked strategic risk SRRA02)**</p>	Standard governance review but extend scope to include partnership working and applying any lessons learnt and good practice from RHS Bridgewater Programme.	17

<b>Health &amp; Safety</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Potential damage to health/wellbeing or loss of life which may result in claims, reputational damage, litigation or corporate manslaughter. <i>(Linked strategic risk SRR.003)**</i></p>	<p>Review of health and safety related activities within the council. Scoping / planning will take into consideration the new legal responsibilities placed on SCC (from functions formally the responsibility of UV) in respect of CDM, effectiveness of analysis of recorded incidents to address root causes, and building/fire safety checks. (Q2/Q3)</p>	<p>25</p>
<b>Catering (Cash Handling)</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Poor processes would increase the risk of fraud and/or loss of income. <i>(Linked strategic risk SRR05)**</i></p>	<p>Review arrangements in place for income, including cash handling, across the catering services (Citywide).</p>	<p>15</p>
<b>Commercial Estate Management</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Loss of potential income or failure to meet contractual / regulatory requirements. <i>(Linked strategic risk SRR05)**</i></p>	<p>Follow-up to our work in 2018/19 and consultative support to help enhance the service's control framework following its transition into the council from UV.</p>	<p>15</p>
<b>Income Processes</b>	<p>Great Eight: A Transparent effective organisation</p> <p>Risk: Poor processes would increase the risk of fraud and/or loss of income. <i>(Linked strategic risk SRR05)**</i></p>	<p>Ad hoc reviews of the arrangements in place for income, including cash handling, across the services. These may include: Building Control; Street Works; and Construction Services.</p>	<p>20</p>
<p><b>Place Service Group Forward Plan</b> * Taxis, CAMS Rollout; Capital Programmes (Pipeline and Funding Bids); Section 106 Agreements; Highways Maintenance (Productivity); Major Projects (Swinton Transformation Programme Governance); Corporate Facilities Management.</p>			
			<p>Total: 110</p>

<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>Early Help (inc. Helping Families)</b>	<p>Great Eight: Health &amp; social care</p> <p>Great Eight: Tackling poverty and inequality</p> <p>Great Eight: Education and skills</p> <p>Risk: Missed opportunities to help enable better long term outcomes for children and families, and reduce future demand on services.</p> <p><i>(Linked strategic risk SRRB01, SRR.004 &amp; SRR.005)**</i></p>	Review the new systems and process in place that support identification of need and the course of action taken, combined with Helping Families routine annual review as part of GMCA's Troubled Families programme.	25
<b>Meeting Demand &amp; Service Resilience (Post covid-19)</b>	<p>Great Eight: Health &amp; social care</p> <p>Risk: Insufficient capacity / resources to meet social care or welfare needs could be detrimental to the health and wellbeing individuals reliant on those services. Failure to meet statutory requirements.</p> <p><i>(Linked strategic risk SRR.002 &amp; SRR.009)**</i></p>	Review of the sufficiency and resilience of services provision to anticipated changes in demand following Covid-19 and their ability to identify and reach affected groups and individuals.	20
<b>Care Homes (Provision of Places)</b>	<p>Great Eight: Health &amp; social care</p> <p>Risk: Insufficient timely/quality places available to meet social care demand could be detrimental to the health and wellbeing individuals reliant on those services. Failure to meet statutory requirements.</p> <p><i>(Linked strategic risk SRR.009)**</i></p>	Review of the sufficiency and resilience of care home provision, in collaboration with the CCG.	15
<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.</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.	20

<b>Home Care</b>	<p><b>Great Eight: Health &amp; social care</b></p> <p>Risk: Recipients of services may not be getting sufficient time and quality of care required, leading to poorer outcomes / quality of life. <i>(Linked strategic risk SRR A05 &amp; SRR.005)**</i></p>	<p>General review of the Home Care to include consideration of controls in place to help manage effectiveness (i.e. cost v benefits / outcomes of existing approach to short visits).</p>	<p>15</p>
<b>Personal Budgets &amp; Direct Payments (Adults)</b>	<p><b>Great Eight: Health &amp; social care</b></p> <p>Risk: Funds provided to meet individuals' social care and support needs are not being used as agreed and fail to deliver anticipated outcomes. <i>(Linked strategic risk SRR A05)**</i></p>	<p>Complementing the work in Children's and Families on Direct Payments and Personal Budgets, a similar review of adult services.</p>	<p>15</p>
<b>Child &amp; Adolescent Mental Health Service</b>	<p><b>Great Eight: Health &amp; social care</b></p> <p>Risk: Ineffective arrangements for the provision of specialist mental health services would be detrimental to the wellbeing and long term outcomes of children and young people. <i>(Linked strategic risk SRR.002 &amp; SRR.009)**</i></p>	<p>Review of the arrangements in place for the CAMHS specialist mental health services for children and young people.</p>	<p>15</p>
<b>Out of Borough Placements (Approval Processes)</b>	<p><b>Great Eight: Health &amp; social care</b></p> <p>Risk: Out of borough placements are generally more costly than the equivalent care if provided locally. <i>(Linked strategic risk SRR B01 &amp; SRR.002)**</i></p>	<p>General review of the arrangements in place to scrutinise / approve out of borough placements and the arrangements for identifying and bringing individuals back into borough (where appropriate).</p>	<p>15</p>
<p><b>Removed:</b> Integrated Commissioning (Children &amp; Families) Governance has been removed from the previous year's plan as no longer considered to be a priority / as great a risk when compared to other existing and new work on the plan.</p>			
<p><b>People Service Group Forward Plan:</b> <i>Independent Fostering Agency (IFA), Mental Health (Section 75 Agreement); Kinship Care Orders; Carers Assessments; Transition of Services; Outsourced Services (Benefits Realisation).</i></p>			
			<p>Total: 140</p>

<b>PEOPLE (Establishments)</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>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. (Linked strategic risk SRR.007)**</p>	Site visits examining the financial and administrative 'control environment' in Salford's Children's Homes.	5
<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. (Linked strategic risk SRRA05 &amp; SRR.008)**</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>• Springwood Primary School</li> <li>• Clifton PRU</li> </ul>	15
<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. (Linked strategic risk SRRA05 &amp; SRR.008)**</p>	<p>Undertake a standard review of the governance, financial, and administrative arrangements. The list of schools is based on risk factors including time since last review, budgetary position and change of Headteacher or School Business Manager.</p> <ul style="list-style-type: none"> <li>• Mesne Lea</li> <li>• St Mary's RC Swinton</li> <li>• Godfrey Ermen Memorial CE</li> <li>• St Paul's CE Nevile Road</li> <li>• River View</li> <li>• St Mark's CE Worsley</li> <li>• St Charles RC</li> <li>• Light Oaks Junior</li> <li>• Mossfield</li> <li>• St Edmund's RC</li> <li>• Brentnall</li> <li>• Westwood Park</li> <li>• St Andrew's CE Boothstown</li> </ul>	45

<b>Schools Financial Value Standard</b>	Great Eight: Education and skills Risk: The reputation of SCC and its schools damaged by failure to meet national requirements.	Verification work on the Salford schools' annual returns.	10
<b>School governance support and test plan development</b>	Great Eight: Education and skills Risk: Failure of the audit approach to keep pace with changes within schools will reduce the effectiveness of the audit approach.	Consultative support to schools / governor services. Maintaining awareness of the schools regulatory environment and issues affecting risk and financial management and updating the audit test plan.	5
<b>Total:</b>			<b>80</b>

<b>OTHER COMMITMENTS</b>	
<i>Activity</i>	<i>Indicative Days</i>
<b>Completion of audits commenced during 2019/20</b>	50
<b>Post Implementation Reviews and Action Tracking</b>	50
<b>GMCA Collaboration / reactive GM assurance work</b>	10
<b>Investigations and supporting the council's counter fraud strategy</b>	75
<b>Audit Management, including planning</b>	125

\* **Forward Plans:** *These reviews were identified through our planning processes and included above but a resource (indicative days) not allocated. It is intended that these audits will either be undertaken when a resource becomes available, priorities change or as part of the 2022/23 plan. These audits/priorities will be discussed with the respective management team again at that time.*

**\*\* Strategic Risk Register**

(March 2019/20, summary list):

- SRRA01 Increase in the number of pupils attending schools in Salford;
- SRRA01a Permanent statistical data analysis to support the statutory pupil place planning function;
- SRRB01 The Council will continue to improve the safety of children and young people;

- SRRA05 The Council will make the most effective use of its resources;
- SRRA07 Council Cyber Security;
- SRRA10 Non-compliance with statutory Information Governance requirements;
- SRRA02 Ensure that the Council plans for the significant scale of change forecast over the next 20 years in order to maximise the opportunities available from the significant economic development taking place across Salford and GM.

(September 2020/21, summary list)

- SRR.001 Infectious disease outbreaks (including Coronavirus)
- SRR.002 Inability to deliver minimum service levels/statutory service levels as a result of a business interruption incident
- SRR.003 Resilience of council resources (finance and people)
- SRR.004 An increase in the number of people and families requiring financial support due to the impact of COVID-19 pandemic and changes in welfare system, creating a potential financial risk to the council
- SRR.005 Community Resilience - addressing inequalities
- SRR.006 Information Management and Technology risk – Inc. risk of non-compliance, and cyber security
- SRR.007 Delivery of high-quality services for Looked after Children in Salford
- SRR.008 Pupils not attending in schools and settings
- SRR.009 Inability to meet demand for services as a result of population growth/changes in demographics-impacts across multiple areas including health, homelessness, bins
- SRR.010 Risk to delivery as a result of rapid change in strategic direction / priorities
- SRR.011 Managing the ongoing social impact of climate change.