

# Internal Audit

## Revised Plan - 2021/22



**Lincolnshire County Council**  
**November 2021**



## Introduction

As in previous years we have paused at the mid-year point to review and re-set the Audit Plan to better align with resources available, ensure that the work completed will sufficiently support the annual audit opinion and remain focussed in areas which will add the greatest value. This process has included an assessment of risks, both financial and non-financial, including governance arrangements and has drawn on business intelligence from across the council as well as discussion with our colleagues in Risk. Due to the pace of change and the changing risk environment it is vital that our planning remains dynamic and relevant so although we have re-set the plan we will continue to constantly review risk levels and respond accordingly.

Below is a list of all audits included within the proposed plan. This will be further expanded upon if additional resource becomes available – a list of the additional audits to be completed is included at the end of Appendix 1. Please note that audits already completed or in progress are highlighted in blue italics.

Our discussions highlighted a number of areas where risk has increased since the original plan was set, we have therefore added a small number of new audits which are highlighted in red italics. In addition, our review process identified areas where risk has reduced, so a number of audits have also been removed. These audits and the rationale for their removal have been provided within Appendix 2.

DIRECTORATE	AUDIT TITLE	ASSURANCE BEING SOUGHT	INTERNAL AUDIT RISK ASSESSMENT	ASSURANCE MAP RAG RATING	INDEPENDENT ASSURANCE	LINK TO SRR	LINK TO CORPORATE PLAN	MANAGEMENT REQUEST
Cross Cutting	Contract Management	Working with the counter fraud team to confirm that contracts are being effectively managed to ensure that projects are delivered to specification, on time	72%	A	✓		✓	

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		and within budget.						
Cross Cutting	Transformation Programme	<i>Continue to act as critical friend and provide on-going advice and assurance to the programme.</i>	67%	G	✓		✓	✓
Cross Cutting	Governance Review	Review recent Public Interest Reports from Liverpool City Council and York Council to consider lessons learned and governance and controls assurance.	69%		✓		✓	
Cross Cutting	Business World Redesign project	<i>Providing on-going advice and independent assurance around project management, process, risk and control.</i>	67%	A	✓		✓	✓
Cross Cutting	Transformation Programme Project Review	To provide assurance around the governance and delivery of key transformation projects including SMARTER Working and the Green Master Plan.	67%	A	✓		✓	✓

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Cross Cutting	Follow Up Reviews	To follow up progress with management actions from Low or Limited audits completed in 2020/21			✓		✓	
Adults	Financial assessments	Confirm improvements have been made in the Financial assessments process following the implementation of the new policy and management actions.	69%	A	✓		✓	✓
Adults	Better Care Fund	<i>Assurance over the management of the fund, it's use and the appropriateness of expenditure as per the Section 75 and other agreements</i>	69%	A	✓		✓	
Adults	Safeguarding	<i>Provide assurance that the Council has maintained robust safeguarding arrangements through the Covid-19 pandemic.</i>	67%	G	✓	✓	✓	
Commercial and IT	IMT - Network Access Controls: Internal (S/M/L)	Provide assurance that the authority has appropriate arrangements in place to ensure that only authorised users are enrolled promptly onto	64%	R	✓	✓	✓	✓

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		the network and the removal of access is promptly actioned when no longer required.						
Commercial and IT	IMT - Privileged Account Management	Assurance that privileged accounts are suitably controlled.	64%	A	✓	✓	✓	
Commercial and IT	IMT - Virus Protection / Malware	Provide assurance that the risks associated with malware and viruses are mitigated through the use of appropriate security measures.	72%	G	✓	✓	✓	
Commercial and IT	IMT - Cloud/Hosted Services	Review recent instances of cloud/hosted services to establish the due diligence undertaken and the security deployed through that arrangement.	69%	G	✓		✓	
Commercial and IT	Property – capital repairs and maintenance	To follow up and confirm that the recommendations from the previous capital contract report have been implemented, and to review and provide support and advice on the Repairs &	50%	A	✓		✓	✓

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		<i>Maintenance budget setting process.</i>						
Children's	<i>Supporting Families Grant</i>	<i>Audit sign off as per the requirements of the grant.</i>	58%	G	✓		✓	
Children's	Foster Carers	To confirm that there are robust processes / checks over the recruitment of foster carers and that these processes are followed in practice.	47%				✓	✓
Children's	Maintained Schools	Delivery of internal audit to maintained schools that 'buy-back' our services. This covers key areas of governance and financial control.	36%	G	✓		✓	✓
Fire and Rescue	Governance Review	Seeking assurance around the governance roles and processes in place within the Directorate.	69%		✓		✓	
Place	Economic Development	Review looking at the decision making around business loans and regeneration projects to ensure that the Council is not impacted by	64%	G	✓		✓	

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		reputational damage.						
Place	Transport Connect	<i>Review of the Governance and oversight processes that are in place within Transport Connect to confirm that Members and Senior Management are aware of issues that may impact the Council and the company.</i>	69%	A	✓		✓	✓
Resources	Financial Resilience	Assurance that the medium term financial strategy supports financial resilience as the Council moves from pandemic arrangements to recovery and business as usual.	58%	G	✓	✓	✓	
Resources	Payroll	Key financial system – testing and analytical review required to provide assurance that appropriate controls are working effectively and compliance with policy and legislation is maintained.	64%	G	✓		✓	
Resources	Debtors	Review the debtors' process, including any changes in the new	61%	A	✓		✓	

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		finance system. To assess debt reporting governance and senior management oversight on debt levels and write offs. Coverage will include the impact of gross social care payments & recovery of contributions.						
Resources	Key financial systems - key financial control testing	Testing and analytical review of key systems that support the running of the Council's business and ensure compliance with corporate policies and legal requirements	53%	G	✓		✓	
Resources	Grant work	Working with the counter fraud team to undertake testing and provide assurance that grant monies have been used in accordance with terms and conditions. To review checks and balances for the detection of fraud and error.	67%	A	✓		✓	
Resources	<i>Other grant work (Highways and BSOG)</i>	<i>To provide assurance that income and expenditure has been processed in accordance with grant conditions</i>						

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AUDITS TO BE COMPLETED IF ADDITIONAL RESOURCE BECOMES AVAILABLE								
Cross Cutting	Effective Decision Making	Review decision making and ensure there is appropriate due diligence and scrutiny on decisions.	67%	A	✓			✓
Cross Cutting	Corporate Plan, Success Framework and Performance Management	Provide assurance around the governance and corporate oversight of the Corporate plan and performance monitoring and management.	67%		✓			
<i>Cross Cutting</i>	<i>Staff Wellbeing</i>	<i>To provide assurance on the LCC staff wellbeing offer and workforce resilience</i>			✓			
Adults	ICES follow up	To provide assurance on this activity and follow up the recommendations made in the previous audit (which was given Limited assurance) to ensure agreed management actions have been implemented.	56%	G	✓			✓
<i>Adults</i>	<i>Financial Care Capacity</i>	<i>To provide assurance</i>	69%	A	✓			

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		<i>on the capacity of residential care placements across the county</i>						
Commissioning and IT	Commissioning Process	To act as critical friend and provide on-going advice and assurance during the external review of the commissioning process.	69%	G	✓		✓	
Children's	SEND	To confirm compliance with funding schemes and review the accuracy of data and funding allocations to SEND schools.	44%	A	✓		✓	✓
Fire and Rescue	On call sustainability	Review the key risk to the service around the on call system for providing officer cover.	67%	R			✓	
<i>Fire and Rescue</i>	<i>Procurement Card Usage</i>	<i>To provide assurance on the use of procurement cards across the service in line with the new policy document</i>	58%		✓			
Resources	Compliance with Financial Procedures	Utilising root cause analysis, understand reasons for recent examples of non-compliance with	64%				✓	

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		financial procedures and provide advice on raising wider awareness.					
<i>Resources</i>	<i>Business Continuity / Resilience</i>	<i>To assess the arrangements in place</i>	61%	G		✓	

Other Areas of Work	Details
Combined Assurance	Updating assurances on the Council's assurance map with senior managers and helping to inform planning and co-ordinate the annual status report.
Follow up of Recommendations	Audit Reports issued during 2020/21 where an audit opinion of Limited or Low may be followed to establish progress in implementing agreed management actions.
External Quality Assessment.	Prepare for the assessment of the internal audits service against professional standards to ensure compliance with best practice.
Advice & Liaison	Time for liaison with management to schedule audits and update the plan with emerging risks etc.
Annual Report	Collation of data and production of the Head of Audits annual opinion on the Council's Governance, Risk and Control framework
Annual Governance Statement	Support development of the AGS
Audit Committee	Production of reports to and attendance at Audit Committee
Work Force Development	Time to develop audit skills and competencies for our Apprentices and existing staff in a work environment with deliverable audits.

## Appendix 2 – Audits Removed

Following our assessment of risk and review of business intelligence from across the council, the audits listed below were removed from the original audit plan. Information on the rationale for each audit removed has also been included.

DIRECTORATE	AUDIT	RATIONALE
Cross Cutting	Programme and Project Management	We continue to act as critical friend and provide on-going advice and assurance to the Transformation Programme as well as having a more specific audit of the Transformation Project in the plan. Programme and Project Management will be reviewed at a later date once new processes and procedures have been embedded
Cross Cutting	Working from home	Management attending the Audit Committee in November to provide assurance around working from home / productivity – audit removed as duplication
Adults Services	Occupational Therapy	This area is considered low risk at present
Commercial and ICT	Commercial Activities	LCC take a prudent approach to commercial ventures based on Combined Assurance discussions and we are currently reviewing Transport Connect.
Commercial and ICT	Capital Contracts	It is intended that the contract management audit scheduled within the plan will cover capital contracts
Commercial and ICT	IMT/Finance – PCI DSS	Assurance will be taken from the external review being undertaken in this area
Children's Services	Youth Offending	A new assessment framework is in place. An external review by the University was commissioned (report due at Scrutiny in November) which has not highlighted any significant areas of concern. This area will be reviewed at a later date once the new framework is fully embedded
Place	Waste	The scope of this work involved providing a critical friend role throughout project implementation. This is not considered essential
Resources	Budget control / management	Not considered essential. Whilst budgets remain a risk, we plan to undertake an audit of Financial Resilience which will provide assurance in this area.