

Internal audit plan 2018/19

The work set out below is intended to obtain the evidence required to support an overall opinion on the council's governance, risk management, and control processes for 2018/19. Individual elements within the plan may be amended but, taken as a whole, the resulting plan is designed to address the requirement for an overall opinion as set out in the Internal Audit Strategy for 2018/19.

The type of work is shown as: '1' for phase one/ consultancy work; '2' for phase two/ compliance testing; '1+2' for a full risk and control evaluation; 'F' for follow-up work.

Service area	Operational area of activity	Audit work	Type
Control framework: governance and democratic oversight			
Governance Service	Decision-making within the corporate governance framework by elected members under delegated powers.	Follow-up of our assessment of the council's measures to ensure compliance with its procedures, authority and timescales for proper decision-making by members.	F
Governance Service	Decision-making within the corporate governance framework by officers under delegated powers.	Follow-up of our assessment of the council's measures to ensure compliance with its procedures, authority and timescales for proper decision-making by officers under the scheme of delegation.	F
Governance Service	Effective oversight of corporate governance by the Audit and Governance Committee.	Follow-up of the action taken to develop the operation of the Audit, Risk and Governance Committee.	F
LEP Coordination	Lancashire Enterprise Partnership (LEP) assurance framework.	Assurance that the council is complying with the new national LEP assurance framework effective from April 2018.	1+2
Pension Fund	Obtaining and understanding the assurance provided by the Pension Fund's own internal auditors.	Assessment of the assurance provided by Deloitte LLP over the operation of the Pension Fund by the Local Pensions Partnership.	N/A
Pension Fund	Oversight of the Lancashire Pension Fund.	Follow up of 2017/18 audit work.	F
Control framework: business effectiveness			
Governance Service	Preparation of the corporate risk register.	Confirmation that the risk management process is continuing to operate effectively as designed, including oversight by CMT. Since we have recently provided full assurance (now categorised as 'substantial') over this process, this work will be light touch.	1+2

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Service area	Operational area of activity	Audit work	Type
Business Intelligence	Corporate performance management.	Assessment of the operation of the revised framework for monitoring and managing achievement of the council's key objectives and strategies.	1+2
Pension Fund	Performance management in the Lancashire Pension Fund	Audit of the adequacy and effectiveness of performance management arrangements including reporting and data quality.	1+2
Financial Management (Operations)	Delivery of the council's financial strategy and budget reductions.	Assessment of the adequacy and effectiveness of controls that will ensure that sufficient, or planned, savings will be achieved.	1+2
Financial Management (Operations)	Oversight and alignment of the council's establishment and staffing budget.	Follow-up of the actions agreed to strengthen the process to capture workforce planning decisions and ensure that the council's establishment is properly supported by matching budgets, and that HR and financial records are aligned, complete, accurate and current.	F
A sample of all	Communication with staff across the council.	Follow-up of the actions agreed to ensure that information is disseminated up and down the management chain.	F
Control framework: service delivery			
Adult Services and Health & Wellbeing services			
Older People	Construction of care packages.	Consideration of the processes and controls within the Care Navigation service to construct and source care packages from suppliers based on approved support plans in LAS, including an assessment of the accuracy of care package line items input into ContrOCC.	1+2
Older People	Use of the care portal by external care providers to claim payments for services provided to service users.	Audit of the system that manages payments to external care providers, focussing on information flows from providers and checks that ensure payments are accurate and valid.	1+2
Patient Safety & Safeguarding	Contract monitoring: operation of the new homecare contract for domiciliary care services.	A high-level review of the operation of the new framework in the first year after its implementation, focussing on the mechanisms by which the contractors' performance is monitored. This work will be closely linked with that on the construction and implementation of care packages for service users.	1+2

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Learning Disability, Autism & Mental Health	Complex case decision-making process.	Follow-up of the actions agreed to strengthen the process and extend it to a wider range of cases.	F
Social Care (Health)	Training and development.	A review of the controls in place to ensure that staff at all levels and disciplines within the service are offered an appropriate level of training and support, and that there is appropriate monitoring of compliance with mandatory training requirements.	1+2
Social Care (Health)	Case management: occupational therapy services.	Follow-up of the actions agreed in 2017/18 to strengthen the process.	F
Learning Disability, Autism and Mental Health	Case management: mental health services.	Review of the end to end case management arrangements following transfer of mental health service provision back into the council. This work will take place during 2018/19 if possible but may fall into 2019/2020.	1+2
Learning Disability, Autism and Mental Health	Transition from Children's to Adult Services.	Follow-up of the action agreed in 2017/18.	F
Disability Services	Payroll claims and overpayments.	Assessment of controls over data input and authorisation, and the identification and recovery of overpayments within Disability Services, considering how errors can be reduced and efficiency increased.	1+2
All adult services	Ordinary residence	Assessment of the arrangements to establish service users' ordinary residence and to determine appropriate charges between local authorities.	1
All adult services	Direct payments to service users and their carers.	Follow-up of the actions agreed in 2017/18 to strengthen controls.	F
Exchequer Services	Financial assessments of social care service users.	Follow-up of the actions agreed in 2017/18 to strengthen controls.	F
Exchequer Services	Third party top-up payments.	Assurance that service users are being provided with appropriate information regarding the payment of third party top-up payments.	1+2
Exchequer Services	Reviews of service users' use of direct payments.	Follow-up of the actions agreed in 2017/18 to strengthen controls.	F

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Disability Services	Medication practices in day care centres (which are not independently inspected by the Care Quality Commission).	Assurance that staff are trained as required by NICE guidelines in medication handling and administration, and that policy and procedures are being followed in a sample of locations across day care services.	1+2
Policy, Information and Commissioning	Transforming community equipment.	Assessment following the transfer of the service to the council from the NHS and its work to improve its processes, including reconciliations of prescriptions to invoices.	1+2
Disability Services	Supervision and support to front-line in-house care providers.	Confirmation that staff are subject to regular support and supervisory review to ensure compliance with professional body requirements for unregistered day services.	1+2
Patient Safety & Safeguarding	Supervision and support to front-line social workers.	Confirmation that staff are subject to regular support and supervisory review to ensure compliance with professional body requirements.	1+2
Patient Safety & Safeguarding	Contract monitoring: reablement service.	Follow-up of the actions agreed in 2017/18 to strengthen controls.	F
Patient Safety & Safeguarding	Contract monitoring: crisis support service.	Follow-up of the actions agreed in 2017/18 to strengthen controls.	F
Patient Safety & Safeguarding	Individual service funds.	Assessment of the arrangements controlling individual service funds.	1
Patient Safety & Safeguarding	Making Safeguarding Personal.	Follow-up of actions agreed in 2017/18.	F
Health Equity & Partnerships	Commissioning and oversight of public health provision.	Follow-up of actions agreed in 2017/18.	F
Patient Safety & Safeguarding	Contract monitoring: sexual health service.	Follow-up of actions agreed in 2017/18.	F
Patient Safety & Safeguarding	Quality Assurance and Improvement Programmes for residential and non-residential care.	Consideration of the adequacy and effectiveness of the improvement programme begin developed to drive improvements in service delivery across the regulated care sector.	1
Health, Safety & Resilience	Planning to address emergencies and civil contingencies.	Follow-up of actions agreed in 2017/18 to address both central planning arrangements and planning within services.	F

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Children and Family Wellbeing	Children and Family Wellbeing Service: core offer.	Review of the control framework supporting delivery of the core offer to identify any gaps or inefficiencies.	1
Health, Safety & Resilience	Corporate approach to lone workers.	Assessment of any new corporate approach to managing the risks to lone workers, whatever service they work in, to understand the approach and document the risk and control framework.	1
Health, Safety & Resilience	Compliance with corporate health and safety requirements.	Follow-up of actions agreed in 2017/18 to ensure compliance with corporate health and safety requirements, focussing particularly on arrangements supporting the Highways and Design & Construction services.	F
Health, Safety & Resilience	Educational off-site visits	Educational off-site visits, in particular compliance checks completed by the Health, Safety and Resilience team.	1+2
Patient Safety & Safeguarding	Contract monitoring: Direct Payment Support Service	Audit of the system to monitor contracts for the provision of the Direct Payment Support Service.	1+2
Education & Children's Services			
Special Educational Needs and Disability	Personal budgets met through direct payments.	Follow-up of the action agreed in 2017/18.	F
Fostering, Adoption, Residential & YOT	Contract monitoring: external residential placements.	Follow-up of the action agreed in 2017/18.	F
Governance Service	Relationship between the Child Protection legal team and Children's Social Care.	Assessment of the Child Protection legal team's operation against its objectives as a key element of children's social services but independent of the work of the front-line social workers.	1+2
Safeguarding, Inspection & Audit	Safeguarding through recruitment: selection and vetting procedures.	Follow-up of the action agreed in 2017/18.	F
Safeguarding, Inspection & Audit	Information security within the service following an excessive number of data breaches in previous years.	Audit using the framework created in 2017/18 to assess whether controls are operating effectively, specifically in reference to the number of data breaches and changes to the disciplinary procedures.	2
Fostering, Adoption, Residential & YOT	Information security within the service following an excessive number of data breaches in previous years.	Audit using the framework created in 2017/18 to assess whether controls are operating effectively, specifically in reference to the number of data breaches and changes to the disciplinary procedures.	2

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Service area	Operational area of activity	Audit work	Type
Policy, Information and Commissioning	Transitions: Community Health Care (CHC) funding for the transition from children's to adults services.	Assessment of the process in place to ensure that all available CHC funding is being obtained.	1
Policy, Information and Commissioning	Procurement of services for the commissioning of psychological assessments.	Audit of the process by which the need for psychological assessment services is identified and approved, how providers are selected and how funding decisions are reached between the council and health services.	1+2
Children's Social Care	Prevention of child sexual exploitation.	Review of the effectiveness of action to combat child sexual exploitation (CSE) through the operation of the pan-Lancashire standard operating protocol and the action of the council's CSE team.	1+2
Children's Social Care	Section 17 payments to children with disabilities.	Audit of the service's assessments in providing urgent assistance to families, including its decision-making and approvals process.	1+2
Children's Social Care	Residential placements.	Assessment of the end-to-end process through which children in council care are placed with external residential care providers, including initial needs assessment, approval and selection of provider.	1+2
Safeguarding, Inspection & Audit	Children's Services' in-service audit framework.	Assessment of the adequacy and effectiveness of controls over the operation of the audit framework including testing of audit activity on casework and supervisions.	1+2
Policy, Information and Commissioning	Implementation of the Prevent strategy.	Compliance with actions required to embed the Prevent strategy across the council to ensure all staff are aware of it and how to respond to any concerns.	1+2
School Improvement	Exclusions and attendance.	Tests of schools' compliance with the council's policy.	1+2
Financial Management (Development and Schools)	Schools thematic audit: payroll	Adequacy and effectiveness of controls to ensure the accuracy and completeness of payroll payments, supported by testing at a sample of schools.	1+2
Financial Management (Development and Schools)	Schools' Financial Value Standard (SFVS) self-assessments.	Review of a sample of SFVS self-assessments submitted by schools for 2017/18 to ensure their assertions are supported by adequate evidence.	2

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Growth, Environment, Transport & Community Services			
Customer Access Service	Safeguarding vulnerable adults and children: reported concerns.	Audit of arrangements within the Customer Access Service (CAS) to identify and report safeguarding concerns to services, ensuring appropriate action is taken within CAS.	1+2
Customer Access Service	Management assurance processes.	Follow-up of actions agreed in 2017/18.	F
Customer Access Service	Blue badge applications.	Follow-up of actions agreed in 2017/18.	F
Customer Access Service	Crisis Support: Care and urgent needs support service	Assurance over the process for making emergency payments including compliance with policy, eligibility criteria etc.	1+2
Customer Access Service	Customer Access Service: business continuity.	Assessment of the adequacy and effectiveness of controls to manage business continuity in the event of loss of telephony services.	1
Design & Construction	Contractors' compliance with legislative requirements.	Assurance that the in-house monitoring of contractors' compliance with contract specifications are appropriate to ensure legislative compliance.	1+2
Design & Construction	Contract monitoring: contracts with Atkins and Jacobs.	Audit of the system to monitor services delivered through the Atkins and Jacobs contracts.	1+2
Highways	Operation of the Highways Asset Management System (HAMS).	Re-assessment of the operation of the system, with compliance testing if appropriate and a focus on the payment of invoices arising from orders generated within the system.	1+2
Highways	Pre-planning application advice service.	Follow-up of action agreed in 2017/18.	F
Highways	Highways: health and safety.	An audit of the service's controls to ensure the risks to Highways operative's health and safety are adequately and effectively mitigated.	1+2
Highways	Vehicle hire and return.	Compliance testing of the controls identified during 2017/18.	2
Highways	Contract monitoring: Highways Service contracts.	Follow-up of action agreed in 2017/18.	F
Public & Integrated Transport	Safeguarding in the provision of transport for children.	Follow-up of action agreed in 2017/18.	F

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Service area	Operational area of activity	Audit work	Type
Public & Integrated Transport	Concessionary travel: NOW Card.	Audit of controls over the management of NOW cards including checking eligibility, financial management and the security of personal data.	1+2
Public & Integrated Transport	School bus passes.	Audit of the management of bus passes, including checking eligibility, financial management and the security of personal data. Eligibility assessments are done by the School Improvement service.	1+2
Public & Integrated Transport	Public service vehicle operator licences: compliance with licence requirements.	Assessment of controls to ensure compliance with licence requirements, focussing on requirements to ensure vehicles are roadworthy.	1+2
Waste Management	Contract monitoring: waste landfill contract.	Follow-up of action agreed in 2017/18.	F
Lancashire Renewables	Governance and decision making.	Audit of the arrangements supporting effective governance and oversight by the council including the company's decision making, reporting and risk and performance management.	1+2
Lancashire Renewables	Procurement.	Audit of the company's procurement to ensure that spending is legitimate and appropriate.	1+2
Libraries, Museums, Culture and Registration	Registrars' income.	Follow-up of action agreed in 2017/18.	F
Business Growth	Business Growth Hubs.	Audit of the plans in place to complete the programme and expend the available funds before the programme ends in 2018, focussing particularly on controls over commissioning and procuring work from external suppliers.	1+2
Finance services			
Financial Management (Development and Schools)	Commissioning, design and monitoring of the capital programme.	Compliance testing of the controls in place as they have become embedded, from project inception to its reporting in the council's financial statements.	2
Pension Fund	New custodianship arrangements for the Lancashire Pension Fund	Audit of new arrangements following the award of a new contract, including compliance testing.	1+2

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Control framework: service support			
Skills, Learning & Development	Teaching partnership: governance and financial arrangements.	Early input to the development of governance and financial arrangements to support joint working across the upper tier authorities and two of the universities in the county.	1
Skills, Learning & Development	'Step up to Social Work' contract.	Assurance over operation of the contract used to place selected graduates onto a fast track scheme as leaders of the future.	1+2
Skills, Learning & Development	Apprenticeship Levy.	Follow-up of actions agreed in 2017/18.	F
Estates	Health and safety of individuals in commercial properties managed by the council.	Assurance over the adequacy of arrangements to ensure staff and contractors' safety in council-managed, commercially let properties, through compliance with legislative and other applicable health and safety requirements.	1+2
Asset Management	Health and safety of individuals in properties managed by the council.	Assessment of the process by which compliance with statutory and other requirements are assured by the newly-established compliance team supported by PAMS across properties managed by the council.	1+2
Exchequer Services	Recovery of costs through income from partner organisations.	Follow-up of actions agreed in 2017/18.	F
Corporate Finance	Corporate banking arrangements.	Identification and evaluation of adequacy of the control framework surrounding the new banking arrangements.	1
Control framework: business processes			
Core Systems & Transformation	Oracle user access.	Support to the Core Systems & Transformation team as they review Oracle user access, using IDEA software to interrogate their information.	1
Core Systems & Transformation	LAS and LCS user access permissions.	Assurance that user access permissions are appropriately granted and managed.	1+2
Core Systems & Transformation	Access controls and system security.	Follow-up of action agreed in 2017/18.	F
Core Systems & Transformation	Children's Services' LCS system helpdesk.	Follow-up of actions agreed in 2017/18.	F

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Public & Integrated Transport	Accounts receivable: RAMP.	Follow-up of action agreed in 2017/18.	F
Public & Integrated Transport	Accounts payable: RAMP.	Follow-up of action agreed in 2017/18.	F
Public & Integrated Transport	Accounts payable: CART.	Follow-up of action agreed in 2017/18.	F
Governance Service	Information management: compliance with the new General Data Protection Regulations.	Review of the policy and procedures supporting the introduction of GDPR, and specifically the council's achievement of the ICO's 12-point checklist.	1+2
Governance Service	Information management: information security and management.	High-level assessment of the way information is managed within critical service areas, following corporate policy.	1+2
Records Management	Information management: Information storage and retention.	Review of the adequacy of corporate policies on document retention, referencing, filing structures and contingency arrangements including compliance testing within services.	1+2
Governance Service	Information governance: FOIs and SARs.	Follow-up of actions agreed in 2017/18.	F
Human Resources	Lancashire Teaching Partnership: contract management arrangements	Review of the monitoring arrangements over the contract for provision of agency teaching staff to schools which is to be re-let with effect from June 2018.	1+2
Human Resources	Allowances claimed by officers.	Audit of the adequacy and effectiveness of arrangements for claiming and approving officers' allowances including holiday pay, overtime, shift pay and miscellaneous claims with testing across a range of services.	1+2
Finance; BTLS; Human Resources	The use of contractors through personal service companies and compliance with IR 35.	Review of the policies in place to ensure compliance with IR35 and the level of compliance, focussing on agency staff.	1+2
Financial Management (Development and Schools)	Accounting for capital projects and the integrity of the council's financial statements.	Assessment of the way the capital programme is accounted for.	1+2

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Investment	Treasury management and investments.	Understanding and testing the key controls over investment of the council's funds, particularly in equities and property.	1+2
Investment	Treasury management and investments.	Follow-up of actions agreed in 2017/18.	F
Financial Management (Operations)	Management information and budgetary control.	Follow-up of actions agreed in 2017/18.	F
Corporate Finance	Oracle general ledger.	Follow-up of actions agreed in 2017/18.	F
Corporate Finance	Oversight of payroll payments processed by BTLS on behalf of the council.	Follow-up of actions agreed in 2017/18.	F
Exchequer Services	Accounts receivable and debt management: central controls.	Follow-up of actions agreed in 2017/18.	F
Exchequer Services	Accounts payable: service-based controls specifically over receipting.	Thematic compliance testing across a number of service areas to assess officers' understanding and use of the system, and ensure that goods/ services have been received as is recorded on Oracle.	2
Exchequer Services	Accounts payable: additional counter fraud analysis.	Data analysis to test for multiple orders to a single supplier for the same goods or services to address the risk that orders are split to avoid reaching the limit at which additional approval is required.	2
Exchequer Services	Accounts payable: central controls.	Follow-up of action agreed in 2017/18.	F
Exchequer Services	Cash and banking.	Compliance testing of the key controls.	2
Exchequer Services	VAT	Compliance testing of the key controls.	2
Exchequer Services	VAT	Follow-up of action agreed in 2017/18.	F
Payroll Service	Payments on account and overpayments.	Follow-up of action agreed in 2017/18.	F
Payroll Service	Effectiveness of inputs to the system: the inputs required and how they are processed.	Audit of the revised processes in place within the council to provide BTLS with appropriate inputs to the payroll system, focussing on changes.	1

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Payroll Service	Processing of payments by BTLS using information supplied by the council.	Follow-up of action agreed in 2017/18.	F
Procurement	Central procurement: compliance with legislation, financial regulations and standing orders.	Follow-up of action agreed in 2017/18.	F
Procurement	E-tendering.	Follow-up of action agreed in 2017/18.	F
Procurement	Purchase cards.	Follow-up of action agreed in 2017/18.	F
Pension Fund	Audit of the council's accounting for the Pension Fund through its general ledger.	Follow-up of action agreed in 2017/18.	F
Pension Fund	Core financial systems: cash flow management.	Audit of arrangements to ensure the Fund is able to meet payments as they are due.	1+2