



Southern Internal Audit Partnership

Assurance through excellence
and innovation

HAMPSHIRE COUNTY COUNCIL INTERNAL AUDIT PLAN 2023-24

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Introduction

The role of internal audit is that of an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of Internal Audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant Directors and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership’s continued contact and liaison with those responsible for the governance of the Council.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Neil Pitman, Head of Southern Internal Audit Partnership, supported by Karen Shaw, Deputy Head of Partnership, Natalie Jerams, Deputy Head of Partnership, Iona Bond, Assistant Head of Partnership, Melanie Weston, Liz Foster, and James Short, Audit Managers.

Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2020 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'

'We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team which are required to be disclosed under internal auditing standards.

Hampshire County Council – Serving Hampshire’s Residents - Strategic Plan 2021 – 25

Hampshire County Council is the third largest shire council in the country, delivering the majority of Hampshire’s public services, to almost 1.4 million residents (excluding people living in the Southampton and Portsmouth unitary council areas). HCC are responsible for around 80% of all spend on council services in Hampshire, amounting to £2.1 billion a year.

The Strategic Plan recognises that the next four years will be even more financially challenging – not least because of the direct impact of the COVID-19 pandemic on public finances. During this crisis period, significant additional costs were incurred, including the extra resources required for ensuring that the most vulnerable people in Hampshire were supported.



HCCs priority remains to keep Hampshire residents safe and do all they can to help their communities and the local economy to ‘build back better’. The highlighted outcomes reflect these challenges and form the County Council’s Strategic Plan.

The outcomes are underpinned by a range of ‘priorities’ to support delivery of the plan

Developing the internal audit plan 2023/24

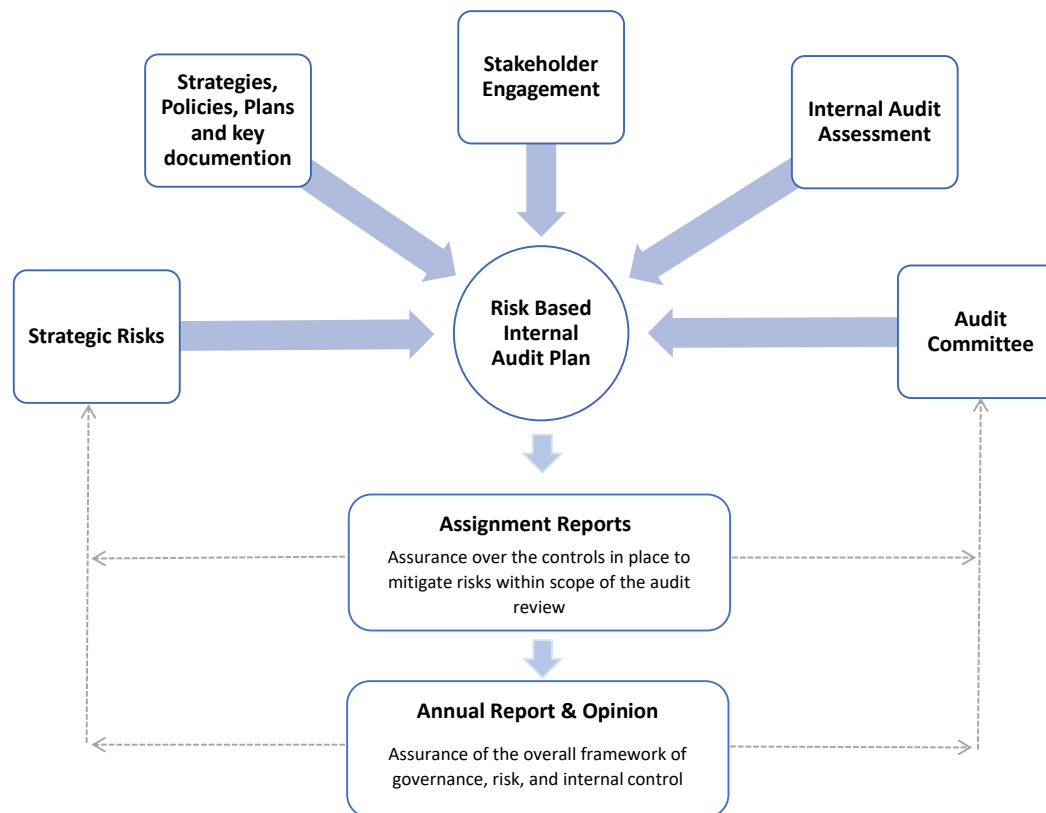
In accordance with the Public Sector Internal Audit Standards there is a requirement that Internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation’s goals.

Based on conversations with key stakeholders, review of risk registers, key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed an annual audit plan for the coming year.

Audit planning is a perpetual process throughout the course of the year to ensure we are able to react to new and emerging risks and the changing needs of the organisation.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.



Internal Audit Plan 2023-24

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Governance				
Risk Management	DPO	To review the effectiveness of the corporate risk management strategy/policy and procedures and their application within departments. 23/24 to focus on corporate risk realignment following restructure.		Q2
Decision making – officer decisions	DPO	Thematic review to assess the processes and controls in place for documenting and publishing officer decisions across Directorates.	405	Q4
Meeting publications	DPO	To review the processes and controls in place to ensure that accurate and complete papers and minutes are provided for public meetings in a timely manner.	405	Q3
Consultations	DPO	To review the controls in place to ensure that public consultations are conducted as required and managed effectively.	405	Q1
Annual self-assessment PSIAS	DCO	In accordance with the requirements of the Public Sector Internal Audit Standards.		Q2
Annual Governance Statement	DPO	To review the framework to support to production of the annual governance statement.	405	Q1-2
Fraud (Proactive / Reactive)	DCO	Range of proactive and reactive initiatives to help identify and mitigate the risk of fraud. To include participation in the National Fraud Initiative.		Q1-4

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Corporate				
Corporate resilience / Business continuity arrangements	DPO	Review development of the Corporate Resilience strategy and governance arrangements (advisory)	126, 133, 147, 271	Q1
Revenue Budget Monitoring	DCO	Assurance that new procedures have been rolled out and are working in practice to support effective budget monitoring – focus on Children’s Services in 2023/24.	417	Q3
Debt Management – Follow up(s)	DCO	Follow up of previous audit reviews to ensure that debt is correctly identified, and that efficient and effective procedures are in place to pursue outstanding debt.	417	Q2
Insurance Arrangements	DPO	Review of new strategy, annual review process and claims processes for both insured and self-insured losses. Focus for 23/24 will be the annual review process with Directorates.		Q3
Payments – VIM Supplier Invoice Processing	DCO	Effectiveness of the end-to-end VIM processes and controls - (Advisory)		Q3-4
Death in Service	DCO	To review processes followed where death in service occurs (Advisory)		Q2
Transactional HR and Pay Team checking process	DCO	To provide advice and assurance regarding proposed changes based on risk and past error rates.		Q2
IT				
IBC system access	DCO	To review the controls in place that ensure access to system is in line with business need and promptly updated or removed for staff moves and leavers. (To be coordinated with the general SAP access audit)		Q4

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
SAP Platform Management	DCO	Assurance over the management of the SAP platform.		Q1
IT Service Management Tool	DCO	Provide assurance that the aims of the new tool are being met, including the CMDB.		Q4
CapitaOne Application Review	DCO	Application management review, including assurance that responsibilities are clearly defined between IT and Children's Services and fulfilled on the IT side.		Q4
Security Information and Event Management (SIEM) Platform	DCO	Review to provide assurance that the new platform is delivering on the objectives of the procurement exercise.		Q4
IT Staff User Accounts and Permissions	DCO	Assurance over the controls in place to manage IT staff access in line with operational need and least privilege principles.		Q2
PCI DSS	DCO	Assessment of compliance against the PCI DSS.		Q1-2
Risk Based (General)				
Health and safety – fire safety management risk	DPO	Review of governance and controls in place to identify, report and manage fire safety risks (residential homes).		Q3
Children's Services establishments: Petty cash and procurement cards	DCS	Review a sample of establishments and disseminate key risks / actions to all establishments.		Q1
Agency Social Workers	DCS	To review the effectiveness of processes relating to the use of agency Social Workers in Children's social care.	313, 316	Q4
Unaccompanied Asylum-Seeking Children	DCS	To review the effectiveness of processes in place for unaccompanied asylum seeking children from assessment through to placement.	313, 316	Q2
Governor Services	DCS	Review of effectiveness and compliance with policies and processes in place.	304	Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Outdoors Service	DCS	Review of effectiveness and compliance with policies and processes in place.	304	Q3
SARs and Complaints	DCS	To review the processing and management of subject access requests and complaints within Children's Services.		Q4
Home to School Transport	DCS	Assurance over the processes in place for the provision of Home to School Transport.	304, 466	Q4
Procurement, Commissioning and Placements (PCP) & Placement Commissioning Team (PCT)	DCS	To review the implementation and effectiveness of changes following the recent external review.	313, 316	Q3
Mosaic Payment System	DCS	Time in the plan to provide coverage of the new recording system once in place.		Q4
Data Quality (CS Dept wide)	DCS	To provide assurance over processes in place to ensure the quality of data held prior to the transfer to the new Mosaic system.		Q2
Sustainability grants	DCS	To provide assurance over the use of the sustainability grants.		Q2
Family Time	DCS	To review the processes in place to ensure consistency and efficiency across family time activities, both in house and commissioned.		Q1
Children's Direct Payments	DCS	To review the policies and processes in place for the provision of Direct Payments.		Q3
Section 17 payments	DCS	To provide assurance over the processes in place for Section 17 payments (exceptional circumstances of financial assistance for goods and services).		Q3

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
School Thematic – Minibus follow up	DCS	Review a sample of schools and disseminate key risks / actions to all establishments.		Q2
School Thematic – Financial Management	DCS	Review a sample of schools and disseminate key risks / actions to all establishments.		Q3
School Thematic – TBC	DCS	Review a sample of schools and disseminate key risks / actions to all establishments.		Q4
Reactive Schools/Establishments	DCS	Time in the plan should a reactive audit be required.		Q1-4
Schools Financial Value Standards (SFVS)	DCS	To coordinate the receipt and analysis of SFVS returns from schools.		Q1-4
Commissioning for Younger Adults - Contract Management	DAHC	To review compliance with the arrangements in place for contract management in Younger Adults commissioning and links to provider quality and safeguarding.		Q3
End of Life Care	DAHC	To review the adequacy and consistency of processes in place across HCC Care for End-of-Life Care.	441	Q2
Care Director	DAHC	To review the controls in place surrounding the new IT system – Care Director – once in place.	118	Q3
Social Supervision	DAHC	To review the effectiveness of the processes in place for Social Supervision.		Q1
Learning and Development – Evaluation	DAHC	To review compliance with the new framework once embedded.		Q4
Deferred Payments	DAHC	To review the processes in place to ensure deferred payments are managed appropriately.		Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Care Provisions	DAHC	To review the processes in place to ensure that care provisions are correctly input to the system in a timely manner, enabling FAB assessments to occur and income to be recovered appropriately.	376	Q3
Care Assessments	DAHC	To review the processes in place to ensure timeliness and completeness of assessments including the triaging of cases.	376	Q4
Care Governance - Quality	DAHC	To be scoped further once Provider Failure audit 2022/23 completed.	376	Q4
Public Health Grant usage	DAHC	To confirm that the ring-fenced Public Health grant is spent in line with grant conditions.	442	Q1
Deprivation of Liberty Safeguards (DOLS)	DAHC	To review compliance with the DOLS process post COVID.	370	Q2
Complaints	DAHC	To review the processes in place to deal with complaints.		Q4
Older Adults – New Processes Contingency	DAHC	To review and provide assurance on any actions taken or new processes implemented following the structured service diagnostic carried out by Newton. Scope to be determined following the completion of the diagnostic.	375	Q4
AHC Establishment Thematic – Procurement card usage	DAHC	To review the processes in place relating to the usage and management of procurement cards by establishments.		Q2
AHC Establishment thematic – Fundraising accounts	DAHC	To review the processes in place regarding fundraising accounts held by establishments. <i>(this will not include amenities accounts).</i>		Q1
CQC Readiness	DAHC	To review the directorate’s readiness against the CQC guidance and workbook.		Q4

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
DMT Enquiry Process	DUS	To review the new process put in place to manage and monitor responses by DMT to external enquiries received.		Q2
Soft Facilities Management	DUS	To provide assurance over the process and reporting in place to ensure that the required compliance activities are undertaken as required by facilities management as part of responsible building manager activities.	454	Q2
Accident & Near Miss Reporting in Property	DUS	To ensure that accidents and near misses are recorded, managed and reviewed in line with corporate policy and legislation for Hampshire managed buildings.		Q4
Southern Construction Framework	DUS	To review the governance arrangements for the framework in place and the control mechanism that ensures accurate payments are made by the framework partners.		Q3
Hampshire Transport Management	DUS	To review management controls in place to ensure that all HCC fleet vehicles are maintained in line with manufacturers guidelines and legal requirements and that accurate vehicle records are maintained.		Q4
Project Change Control (Highways Capital Prog. Delivery)	DUS	To review the change control processes to ensure that all changes are documented, costed and agreed, including the impact on delivery timescales.		Q2
Utilisation of Volunteers	DUS	To review new processes in place across Countryside Services to ensure that volunteers are managed and records held in a consistent manner. Scope to include recruitment, training, management, performance management etc.	136	Q4
Hosted Partnerships	DUS	Review of the governance arrangements and agreements in place for a selection of HCC hosted partnerships (e.g.,		Q3

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
		Hampshire Biodiversity Forum / Project Integra / Solent Forum)		
Countryside Access Management System (CAMS)	DUS	Review the effectiveness of CAMS, following the previous advisory work in this area.		Q3
Procurement thematic review – Children’s Services	DCO, DCS	To review procurement processes and compliance with Regulations and agreed policies.		Q4
Procurement - Southern Construction Framework 5 (SCF-5)	DCO	To review procurement processes and compliance with Regulations and agreed policies.		Q1
Procurements - Hampshire Deregistration Partnership Register (HDPR) 2023	DCO	To review procurement processes and compliance with Regulations and agreed policies.		Q3
Contingency	DH2050	TBC		Q3-4
Grants / Other –				
Reading & Hampshire Property Partnership	DUS	Certify a sample of transactions and reconciliations for HCC / RBC.		Q2
Supporting Families Claim	DCS	As per grant certification		Q1-4
M27 LEP (Fawley Bypass)	DUS	As per grant certification		Q1
M27 LEP (Stubbington)	DUS	As per grant certification		Q1
Local Transport Plan – integrated transport plan element	DUS	As per grant certification		Q2
Local Transport Plan – block maintenance element	DUS	As per grant certification		Q2
Local Transport Plan – incentive element	DUS	As per grant certification		Q2
Local Transport Plan – Pothole and Challenge Fund	DUS	As per grant certification		Q2
COVID-19 Bus Services Support Grant Restart?	DUS	As per grant certification		Q2

Audit	Directorate Sponsor	Scope/ Risk	Corporate/ Directorate Risk	Quarter
Local Bus Subsidy support grant (BSOG)	DUS	As per grant certification		Q2
Growth hub funding to local enterprise partnerships - core (LEPS)	DUS	As per grant certification		Q1
Additional growth hub funding to local enterprise partnerships - supplementary (LEPS)	DUS	As per grant certification		Q1
Biodiversity Grant	DUS	As per grant certification		Q4
Grant contingency	-	Ad hoc grants requiring certification during the year		Q2-4
Management	-	To include liaison, committee attendance, planning, monitoring, annual report, action tracking and advice		Q1-4

Directorate Sponsor				
DAHC	Director of Adults Health & Care		DPO	Director of People & Organisation
DCS	Director of Children's Services		DCO	Director of Corporate Operations
DUS	Director of Universal Services		DH2050	Director of Hampshire 2050

Shared Services Internal Audit Plan 2023-24

Services provided under the shared service arrangements with Hampshire Constabulary, the Office of the Hampshire Police and Crime Commissioner and Hampshire & Isle of Wight Fire and Rescue Service are reviewed via a joint internal audit plan that provides assurance to all parties to avoid duplication. All three organisations contribute audit days to this plan which is reported below for information.

The Integrated Business Centre attains assurance under International Standards on Assurance Engagements (ISAE) 3402 through Service Organisation Control (SOC) Type 1 and Type 2 reports. SIAP will not duplicate assurances attained through provision of ISAE 3402.

Audit	Scope	Proposed Timing
Procurement	To review procurement processes and compliance with Regulations and agreed policies. (£100k +).	Q4
Restructures	To review the controls in place to ensure that partner restructures are managed effectively by the IBC and that records are updated promptly and accurately.	Q4
PCI DSS	Assessment of the IBC aspects of the PCI DSS for 22/23.	Q2
Contingency	To review any areas identified that fall outside the scope of ISAE3402.	Q1-Q4
Management		Q1-Q4