



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

HAMPSHIRE COUNTY COUNCIL

Annual Internal Audit Report & Opinion 2021-2022

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1. Role of Internal Audit

The Council is required by the Accounts and Audit (England) Regulations 2015, to

‘undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

In fulfilling this requirement, the Council should have regard to the Public Sector Internal Audit Standards (PSIAS), as the internal audit standards set for local government. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.



The role of internal audit is best summarised through its definition within the Standards, as 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 organisations’ objectives.

2. Internal Audit Approach

To enable effective outcomes, internal audit provides a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary. A full range of internal audit services is provided in forming the annual opinion.

As the Chief Internal Auditor, I review the approach to each audit, considering the following key points:

- Level of assurance required.
- Significance of the objectives under review to the organisations' success.
- Risks inherent in the achievement of objectives.
- Level of confidence required that controls are well designed and operating as intended.

All formal internal audit assignments will result in a published report. The primary purpose of the audit report is to provide an independent and objective opinion to the Council on the framework of internal control, risk management and governance in operation and to stimulate improvement.



The Southern Internal Audit Partnership (SIAP) maintain an agile approach to audit, seeking to maximise efficiencies and effectiveness in balancing the time and resource commitments of our clients, with the necessity to provide comprehensive, compliant and value adding assurance.

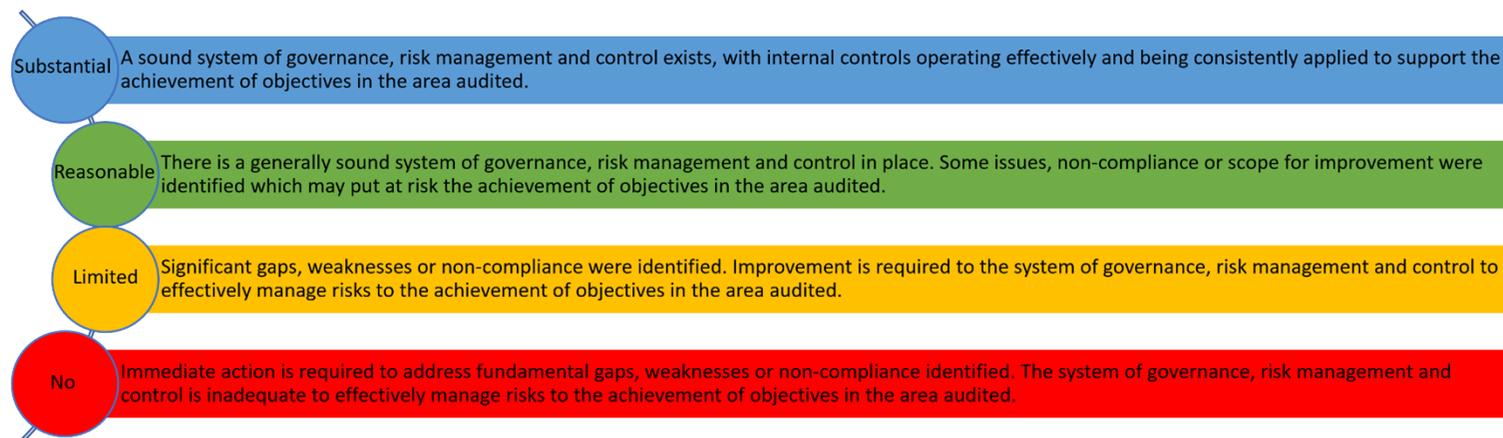
Working practices have been reviewed, modified and agreed with all partners following the impact and lessons learned from the COVID-19 pandemic and as a result we have sought to optimise the use of virtual technologies to communicate with key contacts and in completion of our fieldwork. However, the need for site visits to complete elements of testing continues to be assessed and agreed on a case-by-case basis.

3. Internal Audit Coverage

The annual internal audit plan was prepared to take account of the characteristics and relative risks of the Council activities and to support the preparation of the Annual Governance Statement. Work has been planned and performed to obtain sufficient evidence to provide reasonable assurance that the internal control system is operating effectively.

The 2021-22 internal audit plan was considered and approved by the Audit Committee at its meeting in July 2021. It was informed by internal audit's own assessment of risk and materiality in addition to consultation with management to ensure it aligned to key risks facing the organisation. The plan has remained fluid throughout the year to maintain an effective focus and ensure that it continues to provide assurance, as required, over new or emerging challenges and risks that management need to consider, manage, and mitigate. Changes made to the plan were reported to the Audit Committee through our internal audit progress report(s).

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:



4. Internal Audit Opinion

As Chief Internal Auditor, I am responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform their annual governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisations' framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

- written reports on all internal audit work completed during the course of the year (assurance & consultancy);
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- the results of work of other review bodies where appropriate;
- the extent of resources available to deliver the internal audit work;
- the quality and performance of the internal audit service and the extent of compliance with the Standards; and
- the proportion of the Council's audit need that has been covered within the period.

We enjoy an open and honest working relationship with the Council. Our planning discussions and risk-based approach to internal audit ensure that the internal audit plan includes areas of significance raised by management to ensure that ongoing organisational improvements can be achieved. I feel that the maturity of this relationship and the Council's effective use of internal audit has assisted in identifying and putting in place action to mitigate weaknesses impacting on organisational governance, risk, and control over the 2021-22 financial year.

Annual Internal Audit Opinion 2021-22

I am satisfied that sufficient assurance work has been carried out to allow me to form a conclusion on the adequacy and effectiveness of the internal control environment.

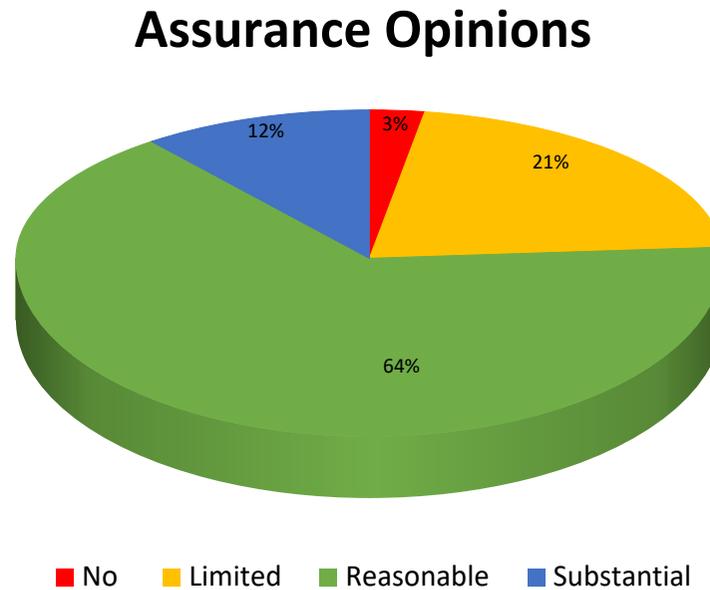
In my opinion frameworks of governance, risk management and management control are **reasonable** and audit testing has demonstrated controls to be working in practice.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

5. Governance, Risk Management & Control – Overview & Key Observations

Assurance opinions for 2021-22 reviews

Significant findings from our reviews have been reported to the Audit Committee throughout the year and a summary of the assurance opinions is outlined below.



Governance

Governance arrangements are considered during the planning and scoping of each review and in most cases, the scope of our work includes overview of:

- the governance structure in place, including respective roles, responsibilities, and reporting arrangements
- relevant policies and procedures to ensure that they are in line with requirements, regularly reviewed, approved, and appropriately publicised and accessible to officers and staff.

In addition, during 2021-22 we undertook an overview of the Annual Governance Statement framework and preparation in addition to a review of Information Governance which concluded with a 'reasonable assurance' opinion.

Based on the work completed during the year and observations through our attendance at a variety of management and governance meetings, in our opinion the governance frameworks in place across the Council are robust, fit for purpose and subject to regular review. There is also appropriate reporting to the Audit Committee to provide the opportunity for independent consideration and challenge including the in-year update and review of the Annual Governance Statement.

Risk management

We reviewed risk management arrangements as part of the 2021/22 internal audit plan which resulted in a 'reasonable assurance' opinion. The evidence obtained during the review demonstrated that risk management arrangements were sound, documented and embedded within the Council.

The risk register is a key document that is taken into account during the development of our risk based internal audit plan, with the planned reviews mapped to the risk register. The information in the risk register is further considered when scoping each review in detail to ensure that our work is appropriately focussed.

Control

In general, internal audit work found there to be a sound control environment in place across the majority of review areas included in the 2021-22 plan that were working effectively to support the delivery of corporate objectives.

We generally found officers and staff to be aware of the importance of effective control frameworks and compliance, and also open to our suggestion for improvements or enhancements where needed. Management actions agreed as a result of each review are monitored to completion to ensure that the identified risks and issues are addressed. The key areas of challenge identified or confirmed through our work are outlined below:

Coroners Services (No Assurance) - The Coroners' Service at Hampshire County Council provides support to appointed Coroners enabling them to undertake and complete their investigations effectively, and in line with legislative requirements in addition to providing support to both Portsmouth City Council (PCC) and Southampton City Council (SCC).

Our in-year audit review focused on the process for recharging costs to PCC and SCC, ensuring invoices raised were accurate and timely and in line with partnership or contractual agreements in addition to the process for making payments to the appointed Coroners and for expenditure associated with their investigations.

It was evident that the Coroners Service budget position and forecasting was being reviewed on a regular basis. However, there were a number of significant issues that impacted the integrity and accuracy of the figures and output of this process primarily relating to difficulties in extracting committed costs accurately through WPC (Coroners Service database), delays in receipt of invoices, and budgets not being aligned to the actual needs / activities.

There were no documented procedures setting out key financial processes, specifically in relation to recording instructions and associated costs on WPC, the adopted payment process, budget monitoring, forecasting and reporting.

There are three separate records showing the value of payments and costs associated with the Coroners Service. These are SAP, the main accounting system for actual general ledger transactions, WPC, the system used for recording all Coroners Service investigations and a separate spreadsheet recording all payments and the date paid. However, there were no checks completed to confirm the value of the payments on all three systems reconcile and that all payments had been accounted for completely and correctly.

The process for reviewing and checking invoices prior to payment required improvement to ensure the amounts paid were in line with services delivered and for the correct amounts (in line with contractual arrangements).

The three SLA's outlining the arrangements for the provision of Mortuary Service, include details of payment arrangements, and a schedule of fees and charges, however, the terms could be invalidated due to each of them expiring on 31 March 2020. The fees included in the SLAs are also likely to be out of date given there is an option to vary the fees / costs annually on the anniversary of the commencement date.

There have been key changes in staffing arrangements during the last year, specifically with respect to the appointment of the Strategic Manager – Coroners Service and Senior Administration Manager. It should therefore be recognised that whilst significant weaknesses have been identified in the financial management control framework many of these had been inherited are now being addressed by the team.

Shared Services – Cleaning Contract Management (No Assurance) – See exempt paper

Health & Safety Governance Arrangements (Limited Assurance) - A centralised Corporate Health & Safety Team was established in January 2020, with the team transferring the CCBS in April 2021. There was found to be a comprehensive Health & Safety Policy Statement in place underpinned by a suite of health and safety policies and procedures that were up to date accessible on the Council's intranet.

However, review of the governance framework to support health & safety found there was no formal reporting to Members to enable them to effectively fulfil their responsibilities in relation to ensuring suitable resources being available to discharge the County Council's health and safety responsibilities and to monitor, via reports, the overall performance of the County Council's health and safety management arrangements.

At an officer level Health and Safety arrangements were reported annually to Corporate Management Team and on a six-monthly basis to Departmental Management Teams. In addition to this, health and safety risks were escalated through the Risk Management Board. However, there was no forum for discussing corporate health and safety issues in-year, and for these to be discussed collectively across directorates. The six-monthly departmental reports were consistent in format and content, however, did not assign specific target dates or a nominated responsible officer for each agreed action.

Direct Payments - Adults (Limited Assurance) - There were found to be detailed policies and procedures in place for direct payments as part of the Social Care Practice Manual which was available to all staff on Hantsnet. Testing confirmed that of those Direct Payments reviewed all had financial assessments completed and there were approved provisions and current care plans.

However, for a number of direct payments sampled, review of AIS could not evidence key documentation (direct payment agreements, authorised person checklists) or relevant annual reviews (care review, financial audit) as being recorded. Whilst this is not to say such documentation and checks have not been completed, the absence of accurate recording on AIS leaves the clients record incomplete for future reference and the Council vulnerable in the event of future challenge.

Children's Services Establishments – Imprest & PCard (Limited Assurance) - This thematic review sought to ensure that the use of the imprest accounts and purchasing cards are managed in line with Hampshire County Council's policy and procedures.

Petty cash was found to be held securely within each of the homes sampled. Purchasing cards were physically held by the cardholder and not shared with other staff, additionally all purchasing cardholders had completed e-learning and were aware of corporate guidance. Staff members only become cardholders once authorised by the manager and after completing the training.

However, common areas of non-compliance across the two payment methods included, supporting receipts not consistently being retained, review/ approval of spend not routinely carried out by managers, the payment method used not always being the most appropriate (high value, disaggregated spend), VAT not always accounted for appropriately, use of loyalty cards with purchases.

No Recourse to Public Funds (Limited Assurance) - The Council maintain a duty to safeguard the welfare of children, in households with parents, and care leavers with Unaccompanied Asylum Seeker Children status, who have no recourse to public funds and require accommodation and/or financial assistance.

The audit highlighted that key policies and procedures were either absent or in need of review / refresh. Additionally, there were known issues with data quality within AIS to effectively identify all NRPF cases.

Testing further highlighted that relevant agencies were not routinely contacted (NRPF Connect and Home Offices) as required by existing policies and when required a Human Rights Assessment was not routinely carried out.

Governance of Debt Management (Limited Assurance) - Debt recovery is carried out by the Integrated Business Centre (IBC), however, queries on individual client invoices and overall monitoring of debt remains the responsibility of individual departments. All invoices over £10 go through the dunning process if they are overdue beyond payment terms and the IBC actively manage invoice debts over £3,000, however they do not take any proactive action on debts below this amount.

There were no clearly documented procedures and gateways between HCC and the IBC detailing who is responsible for each stage of the debt management process, which debts the IBC manage and when debts should be referred to the relevant HCC department, presenting a lack of clarity amongst budget holders of their roles and responsibilities of managing debt.

Operational Finance have been rolling out training and guidance to Accountable Budget Managers (ABM) and Operational Budget Holders (OBH) for a revised financial management operating model which clarifies and reinforces the accountability and responsibility for budgets on departmental staff. Policies, procedures and guidance on financial management tasks are available on-line for all staff. However, this guidance does not include the IBC's role in debt recovery and which debts they proactively chase and write off and the expectations of the ABM and OBH.

Medicine Control within Reablement (Limited Assurance) - Reablement have a key role in aiding service user's medication requirements and ensuring there are documented policies that are adhered to. There were found to be policies and procedures in place for medicine control detailing the statutory and local responsibilities, training requirements and processes. These included an overarching corporate policy on medication management, as well as a more specific policy relating to Reablement. These documents were clear and relevant and available to all staff.

A sample of Reablement cases was selected to ensure that the medication records showed that the administration of the medication took place in line with the plan. In half of the cases tested there were medicine recording errors.

There is a requirement that all staff that administer medications are assessed annually to ensure that they remain competent. Testing found that there was a lack of consistency in recording that this had been carried out and there were instances where the last assessment was greater than 12 months.

AIS was not always found to be up to date after reablement care was complete.

Children's Services – Minibus Midas (Limited Assurance) - The Corporate Health & Safety Procedure – Transport – Driving for Work sets out a consistent way of managing the risks associated with driving for work and covers the driver's suitability to operate the vehicle (competence, licencing and fitness), different types of vehicles and the management, planning and scheduling of journeys (route, timing, duration and weather).

The Authority strongly recommends minibus drivers undertake Minibus Driver Awareness Scheme (MiDAS) training to improve minibus passenger safety, and this is documented within the Corporate Health & Safety Procedure – Driving for Work.

Corporate Health and Safety (Children's Services Team) have developed a checklist, to help determine if drivers without MiDAS training are suitable to drive minibuses (Basic Pre-Minibus Driver Selection Questions).

Testing across 30 schools highlighted instances where there was an absence of documentation to prove certifications or training. Additionally, vehicle safety checks were found not to be routinely undertaken and for those that were there was an absence of documentation to substantiate the checks.

Children's Services Thematic – Use of Agency Staff (Limited Assurance) - This thematic review sought assurance on the use of agency staff across a sample of Children's homes. A range of monitoring takes place on agency staff usage within the service, including a quarterly review of transactions by Finance and the Lead Manager for Residential Care. Additionally, there are regular meetings with HR to focus on recruitment, agency usage and vacancies.

There were variations across the establishments in the way inductions were carried out. In more than half on the establishments tested we found no evidence to support relevant inductions materials had been provided to or reviewed by agency staff.

Timesheets for agency staff should be checked against the rota/logbook or shift planner prior to approval for payment by the managers. Due to documentation retained evidence of the shift being worked could not be confirmed in 70% of cases tested.

Although the agency is responsible for completing safer recruitment checks for all agency staff, at the point of them becoming permanent this needs to be completed by the service. In one case out of three tested, no evidence was provided to show that this had taken place.

Hampshire Futures (Limited Assurance) - The Hampshire Futures Careers SLA Sold Service provides Careers Education, Information, Advice and Guidance (CEIAG) within schools and colleges, including facilitation of work experience placements for young people with employers.

Review highlighted that current Partnership Agreements, which document how services purchased will be delivered, were not in place for all service purchasers and there was often no evidence that formal review meetings had taken place. Additionally, there were instances where VAT was not being accounted for correctly which had led to the service not receiving all income it was due.

Recharging for Younger Adults Care (Limited Assurance) - This audit reviewed the process of invoicing for residential respite and day care commissioned by NHS services or other local authorities, with a focus on Learning Disability Services

Testing of invoicing for day centre respite found invoices to be raised promptly for the agreed amounts. However, testing found that there have been no invoices raised in 2019/20, 2020/21 or 2021/22 by the Residential units for CHC clients. The reason was explained as a miscommunication within the department whereby HCC Care respite care units were not informed of clients who had been approved to receive Continuing Healthcare and subsequent invoicing for care provided (this may understandably have been compounded due to the impact of COVID 19).

To identify the impact of the invoices not raised for services work was underway to consolidate information between HCC Care, Operational Finance and Commissioning.

Shared Lives (Limited Assurance) – Shared Lives provide a permanent home, a short stay, or day care in an ordinary home setting in the community linking people who need help and support to live in the community, with people who can provide that help and support in their own home. People who wish to become Shared Lives Carers are taken through an assessment process, including checks, references, and training.

Shared Lives Policies, Procedures and Good Practice Guidance cover the basic working practices of the HCC Shared Lives Scheme, they are published via the Adults' Health and Care Procedures Hantsweb pages and appear to be clear, comprehensive, and easily accessible. However, they should be subject to annual review and Care Governance Board approval, but we noted that the last review was carried out in March 2017. We were advised that they are currently under review.

Shared Lives Carers Training is currently recorded on the LMS system, with limited access and management monitoring of attendance. We noted that the records are being transferred onto the Central Training Database in order to allow for full oversight, however for the selected sample of carers we were unable to evidence whether mandatory training had been attended and passed.

There is a clearly defined and documented process for Shared Lives Carer Recruitment and Approval Panel, however testing found that some documentation relating to pre recruitment checks, as required by the policy, was missing from the assessment packs presented to panel. The Shared Lives Recruitment do not fill out record forms, as listed in the policies, to keep track of what documents they have received from the applicants. For a sample of referral cases tested we found instances where the signed placement agreement was not on file.

International Standards on Assurance Engagements (ISAE 3402)

ISAE 3402 provides an international assurance standard allowing public bodies to issue a report for use by user organisations and their auditors (user auditors) on the controls at a service organisation that are likely to impact or be a part of the user organisation's system of internal control over financial reporting enabling them to inform both their annual governance statement and the annual audit opinion.

In 2021/22 Hampshire County Council commissioned a Service Organisation Controls (SOC) Type 2 Report under International Standard on Assurance Engagement (ISAE) 3402. Assurance against the international standard was provided by Ernst & Young.

The scope of the review incorporated coverage of General Ledger, Order to Cash, Purchase to Pay, Cash & Bank, Human Resources & Payroll, and Information Technology General Controls. In forming their 'Opinion' the auditors (Ernst & Young) concluded:

'In our opinion, in all material respects:

- a. The Description fairly presents the finance, HR and IT shared services system as designed and implemented throughout the period 1 April 2021 to 31 December 2021.*
- b. The controls related to the Control Objectives stated in the Description were suitably designed throughout the period from 1 April 2021 to 31 December 2021 to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period 1 April 2021 to 31 December 2021 and if subservice organisations and user entities applied the complementary controls assumed in the design of Integrated Business Centre's controls throughout the period 1 April 2021 to 31 December 2021; and*

- c. *The controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in the Description were achieved, operated effectively throughout the period 1 April 2021 to 31 December 2021 if complementary subservice organisation and user entity controls assumed in the design of Integrated Business Centre's controls operated effectively throughout the period 1 April 2021 to 31 December 2021.'*

To compliment the ISAE 3402 Type 2 report a further letter of assurance was provided by the Director of Corporate Operations to confirm for the period 1 January 2022 to 31 March 2022:

- There have been no significant changes to the processes and controls set out in the report.
- There have been no significant control failures in respect of the controls in the report section.
- There are no reasons why we believe the Management Statement would not still be valid'

Internal audit continue to review areas of the Shared Services falling outside the scope of the ISAE2302 engagement as appropriate, through a shared internal audit plan with Hampshire County Council and Hampshire Police. The results of this work are reflected in this opinion.

Management actions

Where our work identified risks that we considered fell outside the parameters acceptable to the Council, we agreed appropriate corrective actions and a timescale for improvement with the responsible managers.

Progress is reported to the Audit Committee through internal audit progress reports.

6. Anti-Fraud and anti-corruption

The County Council is committed to the highest possible standards of openness, probity and accountability and recognises that the electorate need to have confidence in those that are responsible for the delivery of services. A fraudulent or corrupt act can impact on public confidence in the County Council and damage both its reputation and image.

The Council maintains a suite of strategies and policies to support the effective management of the prevention, detection and investigation of fraud and corruption (Anti-Fraud & Corruption Strategy and Response Plan; Whistleblowing Policy and Anti Bribery Policy).

Counter-fraud activity during the year has delivered a programme of proactive and reactive work to complement the internal audit strategy and annual plan focusing resource against assessed fraud risks in addition to new and emerging threats.

Reactive Fraud Activity - The Southern Internal Audit Partnership work with Hampshire County Council in the effective review and investigation of any reported incidents of fraud and irregularity. All such reviews are undertaken by professionally accredited (CIPFA CCIP) staff, in accordance with the Council's Anti-Fraud & Corruption Policy. During the year there were no material fraud investigations undertaken.

National Fraud Initiative (NFI) - The NFI is a statutory exercise facilitated by the Cabinet Office that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

Match reports across pensions, payroll, blue badges, concessionary travel, creditors, VAT, and Companies House were released in January 2021. All high priority matches have been risk assessed and action taken to investigate where appropriate.

Whilst there was no fraudulent activity identified from review of the matches in a majority of areas, the analysis of concessionary travel data resulted in 4,164 concessionary passes being cancelled. Whilst no fraud was identified and there are no direct cash saving to the organisation, the Cabinet Office does assign a notional value of £24 per pass as a saving to the public purse based on the cost of reimbursement to bus operators for journeys made under the concessionary fares scheme.

Proactive Approach - Whilst our reactive fraud work assists the Council in responding to notified incidents or suspicions of fraud and irregularity, it is equally important to ensure proactive initiatives are appropriately explored to understand, prevent and detect fraud risks across the organisation. Initiatives and subsequent outcomes during the year included:

- Advice and guidance were provided across approx. 70 enquiries. The common themes continue to relate to email scams (mandate fraud, malware, and spoof emails), with schools being particularly targeted.

- We have issued a number of fraud awareness bulletins during the course of the year.
- Two themed proactive review were undertaken during the year in relation to direct payments and business interests. The results of each review were collated into summary reports identifying any potential exposure to fraud risks.

7. Quality Assurance and Improvement

The Standards require the Head of the Southern Internal Audit Partnership to develop and maintain a Quality Assurance and Improvement Programme (QAIP) to enable the internal audit service to be assessed against the Standards and the Local Government Application Note (LGAN) for conformance.

The QAIP must include provision for both internal and external assessments: internal assessments are both on-going and periodical and external assessment must be undertaken at least once every five years. In addition to evaluating compliance with the Standards, the QAIP also assesses the efficiency and effectiveness of the internal audit activity, identifying areas for improvement.

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020.

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.'

8. Disclosure of Non-Conformance

There are no disclosures of Non-Conformance to report. In accordance with Public Sector Internal Audit Standard 1312 [External Assessments], I can confirm through endorsement from the Institute of Internal Auditors that:

‘the Southern Internal Audit Partnership conforms to the Definition of Internal Auditing; the Code of Ethics; and the Standards’.

9. Quality Control

Our aim is to provide a service that remains responsive to the needs of the Council and maintains consistently high standards. In complementing the QAIP this was achieved in 2021-22 through the following internal processes:

- On-going liaison with management to ascertain the risk management, control and governance arrangements, key to corporate success.
- On-going development of a constructive working relationship with the External Auditors to maintain a cooperative assurance approach.
- A tailored audit approach using a defined methodology and assignment control documentation.
- Review and quality control of all internal audit work by professional qualified senior staff members.
- An independent external quality assessment against the IPPF, PSIAS & LGAN.

10. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery:

Performance Indicator	Target	Actual
Percentage of internal audit plan delivered (<i>to draft report</i>)	95%	96%
Positive customer survey response		
● Hampshire County Council	90%	99%
● SIAP – all Partners	90%	99%
Public Sector Internal Audit Standards	Compliant	Compliant

Customer satisfaction is an assessment of responses to questionnaires issued to a wide range of stakeholders including members, senior officers and key contacts involved in the audit process (survey date April 2022).

11. Acknowledgement

I would like to take this opportunity to thank all those staff throughout the Council with whom we have made contact in the year. Our relationship has been positive, and management were responsive to the comments we made both informally and through our formal reporting.

Neil Pitman
Head of Southern Internal Audit Partnership

Summary of Audit Reviews Completed 2021-22

Annex 1

Substantial A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

- Operating Systems
- Microsoft Contract Management
- Vulnerability Scanning and Remediation (Policy)
- Waste disposal contract
- Transforming City Projects
- HC3S finance reporting and monitoring
- Procurement (General)
- Highways Incident Management (Draft)

Reasonable There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

- | | | | |
|---|--------------------------------------|--|--|
| Armed forces covenant | Whistle blowing - HR case management | Sickness Recording (AHC) | County Supplies contract & supplier management |
| Server Build Process | Disaster Recovery | Meals on Wheels Contract Management | Recruitment (Success Factors) |
| Use of Agency Staff in Children’s Social Care | IT Asset Management | Flood management | Pre-employment checks |
| Marketing | Service Desk | Travel Plans for Developers | P Cards |
| Education Financial Services | Secure Website Development | Transport Trading & Business Group | |
| Education Personnel Services | Application Review – SWIFT | Records Management Centre | |
| Health and Safety | School Thematic: COVID Catch up fund | Asbestos | |
| Budget Monitoring | School Thematic: Recruitment | Highway Development Agreements | |
| Trading companies – Governance | Music Service | Parking Services – On Street Enforcement | |
| Risk Management | Continuing Care Recharging | Blue Badges | |

Information governance
Market Underwriting
Restructure and Redundancy

Connect for Communities
AHC thematic review: Use of Agency Staff
AHC thematic review: Overtime claims

HC3S financial recovery plan
Procurement – ETE
Major construction framework – contract management

Limited

Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

Direct payments
Health and Safety
Debt management
Hampshire Futures – Careers*
Medicine control within community teams
School Thematic: Minibuses/MIDAS training
Children's Services thematic: Use of Agency Staff
Children's Services establishments thematic: Petty Cash
No recourse to public funds
Recharging of Younger Adults Care
Shared Lives
Southern Construction Framework Contractor Payments
Contingency Planning (Draft)
School Thematic: Government grants (Draft)

No

Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Coroners Service
Cleaning contract management