



**STOCKPORT**  
METROPOLITAN BOROUGH COUNCIL

# **Internal Audit Service**

## **Revised Internal Audit Plan 2020-21**

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**Distribution:** Audit Committee  
Corporate Leadership Team (CLT)  
Corporate Governance Group

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## Executive Summary

1. The approved 2020/21 audit plan was based on the control environment and the known risk profile of the Council existing at the time. However we reported that it will inevitably change over the forthcoming financial year, which would require a further risk assessment and revisions to the existing approved audit plan.
2. Since March 2020, the coronavirus outbreak was declared a pandemic and the country went into lockdown. This has had a major impact on the ways the Council has worked as well as having to rise to the challenges of providing services to those vulnerable members of the public. Some Council services including schools have closed whilst other services continue to operate under increasing demand and pressure in particular Adult and Children Social Care and Revenues & Benefits. This has meant the control and risk environment has significantly changed with many new and emerging risks which are still developing over the next few months, possibly longer.
3. This 2020/21 revised Internal Audit Plan takes account of the Council's overall changing business priorities and emerging risks posed by the Coronavirus pandemic and the impact of the reduced resources on the overall control environment. It is anticipated that revisions to the 2020/21 Audit Plan will be made on a basis throughout the year as the Council adapts to the changing risk environment and new ways of working under the country's lockdown rules. The revised plans along with suggested changes will be shared with Audit Committee members for approval.

# 1. Introduction

- 1.1 This document updates the previously issued Internal Audit Plan for 2020-21 in March 2020.
- 1.2 The Audit Plan for 2020-21 has been prepared in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS). The PSIAS represent mandatory best practice for all internal audit service providers in the public sector.
- 1.3 The Council has adopted the PSIAS definition of internal auditing:

*'Internal auditing is 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'.*

- 1.4 The work of internal audit is a key element in delivering the Council's strategic priority of reform and governance, but also supports the Council in achieving all the aims and objectives set out in the Investing in Stockport Plan 2015-2020 and the Stockport Council Annual Plan. The PSIAS require that the Head of Internal Audit, Risk and Insurance must "establish risk based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals". They refer to the need for the plan to reflect the assurance framework, risk management arrangements and input from management and "the Board".
- 1.5 Due to covid 19 the risk environment has significantly changed throughout the Council. In addition, Internal Audit has been requested, by management, to undertake additional time critical audit reviews that were not originally in the approved audit plan in response to the emerging risks posed by the Coronavirus pandemic.
- 1.6 We have therefore performed a risk assessment of the current audit plan in recognition of the current economic and financial pressures on the Council and Appendix A and B set out the revised audit plan and Appendix C the list of audit reviews that will be deferred to Q3/Q4 where they will be risk assessed again later in the year.

## **2. Characteristics of the 2020-21 Internal Audit Plan**

### **Alignment of the Audit Plan to the Council's Corporate Priorities**

- 2.1 The Audit Plan is presented in a way that shows how each planned review aligns with the current Council's Corporate Priorities. Clearly a number of reviews will contribute to more than one priority. For presentational purposes the reviews have been listed under the priority that is considered most clearly linked to that review area.
- 2.2 The Audit Plan now includes a new objective, namely the coronavirus response programme. We have included new audit reviews where Internal Audit have provided support to the Council's coronavirus response programme.

### **Budgeted time allocations**

- 2.3 A budgeted time allocation has been set for each assignment included in the Audit Plan. It is accepted that the exact resource requirement for each assignment cannot be forecast with certainty, particularly those reviews looking at covid 19 related risks. The plan therefore represents the best estimate of the way in which the Council's internal audit resources will be deployed. The overall objective is to deliver the plan in line with approved Key Performance Indicators and to provide sufficient overall assurance to support the Annual Head of Internal Audit Opinion Report.

### **Flexibility to incorporate emerging risks around coronavirus response work**

- 2.4 The Audit Plan will be reviewed on a regular basis taking into account the current and expected future changes to the overall risk appetite of the council and this will help to support the future direction of the Audit Plan by identifying high risk areas that require more immediate independent assurance. All changes and updates will be reported to the Corporate Leadership Team and the Audit Committee on a regular basis to allow for discussion and challenge on any proposed changes to the plan.

### 3 Resourcing and Delivery of Internal Audit Plan

#### Resource requirements

- 3.1 The Audit Plan issued in March 2020, was based on a full team complement from June 2020. Since the coronavirus pandemic, our process to recruit a senior internal auditor has been delayed. Therefore the plan is based on this post being filled from January 2021. In addition one auditor was deployed to another service within the Council on coronavirus response work for two months.
- 3.2 The resource calculations have been re-assessed in line with the changing work programme and these are set out in the table below.

	2020/21 Original	2020/21 Revised
<b>Resources available</b>		
Total available days <sup>1</sup>	1530	1445
Less: Non Chargeable time <sup>2</sup>	(277)	(350)
Less: Consultancy & Assurance work ( <i>Appendix B</i> ) <sup>3</sup>	(235)	(235)
Plus: Days purchased from Salford Computer Audit Services	40	40
<b>Net Days available for SMBC Internal Audit</b>	<b>1058</b>	<b>900</b>
<b>Resources required</b>		
<b>Total planned days in the Internal Audit Plan</b>	<b>1125</b>	<b>1230</b>
<b>Total deferred days in the Internal Audit Plan</b>	<b>-</b>	<b>230</b>
<b>Difference of Resource Available to Resource Required</b>	<b>(67)</b>	<b>(330)</b>

*Note 1: After deduction of annual leave, bank holidays and sickness provision.*

*Note 2: Training, administration, team & SMT meetings, external meetings. This includes at least 20% training per week for the new audit apprentice, and increased training for the team on office 365.*

*Note 3: Ongoing advice, support and challenge throughout a project, continuous auditing model, fraud and irregularity investigations and providing audit service to Total Local Company (TLC).*

## 4 Revised Work Programme for 2020-21

4.1 The table below shows the revised planned days and the deferred days against each corporate outcome. Details are set out in Appendix A.

Corporate Outcome	Original Days	Revised Days	Deferred Days
People are able to make positive choices and be independent	160	140	20
People who need support get it	315	310	70
Stockport benefits from a thriving economy	55	45	10
Stockport is a place people want to live	80	40	40
Communities in Stockport are safe and resilient <small>NB: See assistance to Coronavirus support work</small>	50	50	0
Reform and Governance	395	310	90
Assistance to Coronavirus support work	-	265	-
<b>Other Work</b>			
Follow-ups	40	40	-
Completion of 2019-20 work	30	30	-
<b>Total Planned Days</b>	<b>1125</b>	<b>1230</b>	<b>230</b>

## 1. People are able to make positive choices and be independent

Audit Review	Days	Risks context	Planned coverage	Priority
Redesign of Adult Social Care Services (c/f 2019-20)	20	<p>The health and social care system in Stockport is unsustainable in its current form. If working practices do not change, the financial position is forecast to deteriorate further in the future.</p> <p>The Council is undertaking a fundamental redesign of Adult Social Care Services to improve the way that social care services integrate effectively with health and are delivered, organised and commissioned more effectively.</p>	Ongoing support, consultancy and advice around key project deliverables relating to the redesign of services.	High
Continuing Health Care (CHC) (c/f 2019-20)	20	<p>A number of reviews by the CQC, Internal Audit and management confirmed that Stockport citizens are less likely to become eligible for CHC funding relative to the North West and England.</p> <p>An agreed action plan is in place to improve arrangements and include training, establishment of a dedicated interim CHC team, strengthening CHC identification processes, strengthening business intelligence support and to improve working relationships with Stockport CCG.</p>	An independent review to provide assurance that CHC arrangements have improved. This will involve assessment of steps taken against the agreed action plans.	Medium
Adults Short Stay Placements and Respite Care (c/f 2019-20)	20	There are a number of short stay placements which has ended up being long term placements. This poses risks around availability of beds to manage the short stay placements and respite care service for vulnerable adults.	A review of adults short stay placements and respite care processes and systems to ensure arrangements are adequate and effective to meet objectives, minimise risk and deliver value for money.	Medium
S117 aftercare services (c/f 2019-20)	15	<p>There is no specific legislation, case law or guidance regarding the allocation of section 117 funding between local authorities and CCGs. This lack of demarcation of responsibility and funding between the Council and CCG is an issue.</p> <p>New policies and procedures are currently being put into</p>	A review will be undertaken to provide assurance that the new system and processes are operating effectively.	High



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Audit Review	Days	Risks context	Planned coverage	Priority
		place to ensure funding is a joint responsibility between health and social care.		
Contract monitoring arrangements over day care services	15	The Council has a number of external providers who provide day care services to elderly residents. This is an area that has not been subject to IA review.	A review of the management and contractual arrangements over day care services to ensure outcomes for service users are achieved and risks to service users and the Council are properly mitigated	High
Contract monitoring arrangements over supported living services	15	The Council has a number of external providers who provide supported living services to residents. This is an area that has not been subject to IA review.	A review of the management and contractual arrangements over supported living services to ensure outcomes for service users are achieved and risks to service users and the Council are properly mitigated	High
Review of Stage 1 complaints handling procedures within Adult social care	15	The number of complaints received in Adult Social Care are increasing and this area has been the subject of management review. This is an area that has not been subject to IA review.	We will review the management and operational arrangements for complaints handling procedures within Adult Social Care and provide assurance that the risks are being properly mitigated	Medium
Mental health services (Pennine)	20	The service has not been subject to a risk based audit in the past.	A risk based review of the service.	High
<b>Total</b>	<b>140</b>			

## 2. People who need support get it

Audit Review	Days	Risks context	Planned Coverage	Priority
Education Health Care Plan (EHCP) assessments	20	There are significant changes in the organisational structure within Children, Families and Education service. The numbers of children requiring an assessment is increasing when staffing resources are limited.	We will review the management and operational arrangements over EHCP assessments to ensure that outcomes for service users are achieved and the risks to service users and the Council are properly mitigated	High
External placements for looked after children (LAC)	10	There are continuing increases to numbers of LAC resulting in further financial pressures in respect of external placements, difficulties in sourcing placements and difficulties in agreeing responsibility for funding. Recently there have been a change in personnel and this continues to be a high spend area.  There is a risk that external placement costs are not minimised and the child's needs and associated statutory responsibilities of the Council are not fully met.	We will continue to follow up the findings from the 2018-19 audit to ensure these recommendations are completed within the new liquid logic and finance system, and that decision making processes are robust and arrangements are fully evaluated and supported by contracts.	High
Short breaks & respite care for disabled children	15	Since the 2017-18 audit, there is a new framework in place for the commissioning of short breaks and respite care, the recent implementation of the new Liquid Logic system and changes in business support function means it is timely to review this area to ensure the risks are properly mitigated.	A review will be undertaken to provide assurance that the arrangements for providing respite care and short breaks are adequate and effective to meet objectives, minimise risk and deliver value for money.	High
Post 16 supported accommodation	15	The Council has a number of residential homes for 16 and 17 year olds, designed to support young adults to become independent. There are risks associated with such placements.	We will review the processes and controls supporting the transition into post 16 supported accommodation to ensure the quality of care remains appropriate	High
Supported accommodations for post 18 care leavers	15	The Council has built brand new accommodation due to be completed end of February 2020. A charity has been procured to run the accommodation and provide support to care leavers.	A review of the contractual and management arrangements to ensure this has been properly established and operating well.	Medium

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Audit Review	Days	Risks context	Planned Coverage	Priority
Equipment purchases	15	There have been a lack of effective project controls in recent large purchases of equipment within Adult Social Care.	We will review the current system with a view to providing assurance on its effectiveness and provide recommendations.	High
Special Guardianship Allowances	20	<p>Approximately £1m is spent annually on special guardianship allowances.</p> <p>Special Guardianship Orders is a legal process that provides legal permanence for those children for whom adoption is not appropriate but for whom greater security than long-term fostering is required.</p> <p>Special guardianship allowances can be paid to Special Guardians in line with Special Guardianship Regulation guidance and this is means-tested. There is a risk that inappropriate and incorrect allowances are paid leading to financial loss.</p>	We will evaluate the effectiveness of financial processes of Special Guardianship Allowances.	Medium
Schools	125	The Council has nearly 100 schools that are responsible for setting their own budgets and managing their finances. The frequency of school audit visits is determined by a risk assessment based on audit assurance ratings, change in Head teacher and business manager, financial position and any known governance issues.	<p>A standard audit programme has been developed for school audits, which is tailored to each school as required.</p> <p>25 establishments will be audited remotely in the year.</p>	-
<b>NEW</b> Regional Adoption Agency (RAA) reconciliation	15	<p>The service claims monies from the Adoption Support Fund (ASF) for therapies to be delivered.</p> <p>Some of the monies for therapy above a prescribed limit have to be match funded by the local authorities purchasing the therapy support. Procedures have been established within the RAA to reclaim these from each individual local authority.</p>	<p>To provide independent assurance on the scheme to date balance of income and costs, demonstrating: -</p> <p>1) for all costs to date,</p> <ul style="list-style-type: none"> <li>• how they are expected to be funded</li> <li>• whether they have been funded by ASF and/or LA match funding</li> <li>• by return of ASF monies from the</li> </ul>	High

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Audit Review	Days	Risks context	Planned Coverage	Priority
			<p>Local Authorities that received those payments during transition</p> <ol style="list-style-type: none"> <li>2) Identify by case how any money not yet received will be obtained and whether from ASF or LAs</li> <li>3) Confirm that the planned amounts to repay ASF are correct.</li> <li>4) Confirm that the remaining income after planned repayments to ASF is sufficient to cover expected future costs for current known cases.</li> </ol>	
<p><b>NEW</b> Dedicated Schools Grant</p>	<p>15</p>	<p>The DSG Action Plan is not completed and improvements not made to the service</p>	<p>Risk assessing the DSG review recommendations and advising on approach to delivery of the Action Plan.</p>	<p>High</p>
<p><b>NEW</b> Personal Budgets for SEND</p>	<p>15</p>	<p>Personal budgets are increasingly being used as a way of offering support to and promoting the independence of children, young people and their families, including those with education health and care plans (EHC plans).</p> <p>Given what is known about the increased risk of abuse to disabled children and the barriers that exist to their protection from harm, it is essential to pay close attention to specific safeguarding risks that may arise when young people and families are given more choice, control and responsibility in managing and delivering support to a child or young person with an EHC plan using a personal budget.</p>	<p>A review of financial monitoring and operational procedures to ensure these are in line with regulations and meeting children’s needs.</p>	<p>High</p>
<p><b>NEW</b> Joint commissioning and funded packages with respect to looked after children and SEND</p>	<p>15</p>	<p>There are continuing increases to numbers of LAC and SEND packages involving commissioning and funding from a number of services, with difficulties in agreeing responsibility for funding.</p>	<p>A review of the joint commissioning and funding arrangements including the joint decision making and accountability process, the processes and procedures for arranging financial packages and a review of the financial monitoring to ensure in line with regulations.</p>	<p>High</p>

Audit Review	Days	Risks context	Planned Coverage	Priority
<b>NEW</b> Home Equipment Store	15	The Home Equipment Store provides equipment to children with disabilities and is funded jointly by health and education. Increasingly there are capacity issues and lack of clarity of roles, responsibility, health & safety, and funding streams to provide this vital service.	A high level review of the funding arrangements, risk assessments, health & safety arrangement around the provision of equipment to children with disabilities.	High
<b>Total</b>	<b>310</b>			

### 3. Stockport benefits from a thriving economy

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Audit Review	Days	Risks context	Planned Coverage	Priority
Stockport Mayoral Development Corporation	10	<p>Stockport Mayoral Development Corporation (SMDC) was established on 9<sup>th</sup> September 2019. Its primary role is to spearhead regeneration in Stockport's Town Centre West.</p> <p>Development schemes can have complex funding arrangements and frequently involve working with partner organisations, and therefore presents high risks.</p>	We propose to undertake a review of the governance, financial and operational arrangements over the newly established Stockport MDC.	High
Stockport Exchange	10	<p>Stockport Exchange is a major regeneration scheme and represents substantial investment by the Council to help encourage economic growth. Phase 3 is almost completed and planning is underway for phase 4-7.</p> <p>The project due to its speculative nature and significant borrowings comes with high risks.</p>	We will continue to attend the established Project Board meetings to ensure key risks are discussed and managed.	High
A6 Project Post Contract Review (c/f 2019-20)	5	The recent SEMMMs project involved a range of stakeholders tasked with delivering a major road improvement scheme covering Stockport, Cheshire East and Manchester.	A review of the project to identify best practice and any improvements for future projects.	Medium
Rental estates income collection	20	<p>The Council maintains an estate of investment properties valued at approximately £186million and collects approximately £15million in rental income. Approximately £6million is incurred in the upkeep of such properties. This is a valuable source of income to the Council.</p> <p>The coronavirus pandemic has resulted in many companies under financial pressure which increases the risks that rents are not being paid.</p>	A review of the financial management arrangements over the rental estates portfolio as the Council copes with the fallout from the coronavirus pandemic.	Medium
<b>Total</b>	<b>45</b>			

### 4. Stockport is a place people want to live

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Audit Review	Days	Risks context	Planned Coverage	Priority
Street lighting – LED replacement	15	The Council has invested in improved street lighting by upgrading street lights to Light Emitting Diode (LED) units. Approximately 50% of the Council's electricity costs (excluding schools) relate to energy on street lights. It is anticipated that costs will be reduced by 40% a year whilst also meaning maintenance costs will be reduced.	We plan to undertake a post implementation review to assess whether the anticipated benefits have been achieved.	High
Contract monitoring arrangements over Stockport Homes delivering SMBC services.	15	New service provision by Stockport Homes on behalf of the Council.	A review of the contract monitoring arrangements within the Council to ensure that the risks around services provision by Stockport Homes are properly mitigated.	High
Procurement of leisure services provider (c/f 19-20)	10	The Council currently outsources the management of its leisure facilities to an independent provider. The contract is coming to an end and the Council will be undertaking a procurement exercise for a leisure services provider.	We will undertake a review of the procurement arrangements for the leisure services provider to ensure value for money is achieved and risks are appropriately mitigated	Medium
<b>Total</b>	<b>40</b>			

## 5. Communities in Stockport are safe and resilient

Audit Review	Days	Risks context	Planned Coverage	Priority
Refer to the emerging risks re: Coronavirus response work (no.7)	-	-	-	High
Emergency planning / disaster recovery (c/f 2019-20)	20	The Council has a duty to work in collaboration with the emergency services, NHS organisations, local authorities and the Environment Agency to plan for and respond to emergencies.	A review to provide assurance that the Council has effective risk management arrangements to protect its staff, customers, service users, financial and other resources.	Medium
Management of emergency situations at council owned venues across the Council	20	The Council has a duty to manage emergency situations (e.g fire evacuations, bomb threats etc) in council owned venues across the Council.	We will provide assurance on the effectiveness of the Council's arrangements to mitigate the risks associated with emergency situations at council owned venues	Medium
Flood Strategy (c/f 2019-20)	10	In 2016 and then in 2019 there were a number of flooding incidents in the borough and a flooding report was produced after each incident. These detailed a number of recommendations for the Council and other partner agencies to address.	We will provide assurance on the effectiveness of the Council's arrangements to address the agreed recommendations arising from the flooding reviews (including the Action Plan from 2016).	Medium
<b>Total</b>	<b>50</b>			



## 6. Reform and Governance

Audit Review	Days	Risks context	Planned Coverage	Priority
Modern Slavery Statement (c/f 2019-20)	5	The Council has now published its Modern Slavery Statement and is responsible for renewing this on an annual basis. Each new annual version of the Statement will include an overview of progress with actions during the previous year as well as actions the Council intends to implement in the current year.	We will undertake a review of the Council's compliance with the modern slavery statement.	Medium
General Ledger	15	Core financial systems as part of 3 year cyclical financial systems plan	We will review key financial controls within the SAP General Ledger system in Q3.	Medium
Payroll – Starters & Leavers	15	Core financial systems as part of 3 year cyclical financial systems plan	We will review the key controls around starters and leavers within the iTrent payroll system in Q4.	Medium
Payroll – Recovery of staff overpayments	10	Salary overpayment may occur for a number of reasons including (but not limited to): late notification to payroll of leaver/change of contract; excess annual leave taken; employee not returning from maternity leave; payroll error etc. There are financial risks associated with not recovering such overpayments.	We will undertake a review of the processes to recover staff overpayments to ensure financial risks are properly mitigated.	Medium
Council Tax – Reliefs and Single Person Discount (SPD)	10	Core financial system as part of 3 year cyclical audit plan. Council Tax is a significant source of income to the Council. Reliefs and SPD reduce the amount of income due to the Council.	We will undertake a review of the key controls for administering and granting reliefs and SPD within the Council Tax system.	High
Cash receipting & banking (new Civica Pay)	15	The PARIS cash receipting system has been replaced with a new financial system Civica Pay which went live 28 <sup>th</sup> January 2020. This is a significant change to existing practices.	A review of the key controls within the new Civica Pay system to provide assurance financial risks are properly mitigated. This will also consider the risks around PCI compliance.	High
Social Care Finance –	15	Significant financial system as part of 3 year cyclical audit plan. Significant sums of monies are paid to home care	A review of the billing and payment processes around homecare payments on	Medium

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Audit Review	Days	Risks context	Planned Coverage	Priority
Homecare payments		providers.	the Liquid Logic (Controcc) system to provide assurance financial risks are properly mitigated. It will also consider the financial controls and reconciliation procedures in particular authorisation of requests for changes to rates and providers.	
Counter fraud audit of bank mandates	15	<p>Mandate fraud is change of bank account scams, payment diversion fraud or supplier account takeover fraud.</p> <p>This is an increasing risk, according to UK national fraud &amp; cyber-crime, businesses lost a total of £99m to mandate fraud in 2018-19, and the CIPFA Fraud &amp; corruption tracker reports 322 cases were detected in local authorities during 2018-19.</p>	We will undertake a counter fraud audit of the key risk areas to ensure these are being properly mitigated. These will also consider cybersecurity risks around obtaining bank details.	Medium
Counter fraud audit of payments	15	This is a potentially high risk area, for example, claiming payment for goods / services not provided, delivering goods / services of substandard quality, overpricing, duplicate invoicing.	We will undertake a counter fraud audit of the key risks areas to ensure these are being properly mitigated	Medium
Debt Recovery Arrangements within Adult Social Care	15	There are known issues around debt recovery within Adult social care which presents a reputational risk to the Council. In particular there are a high number of debt which are put on hold due to invoice query. This is an area that has not been subject to IA review in the past.	A review of the debt recovery arrangements within Adult Social Care to ensure risks to service users and the Council are properly mitigated	High
Schools Finance Key Controls	10	The Schools Finance team currently provides financial support to schools across the borough and performs a number of financial checks.	A new approach by seeking to review the arrangements within the Schools Finance team to establish whether we can place reliance on their work and reduce the audit work required in auditing schools.	High
Adult Social Care performance management	15	Adult social care is currently undergoing a fundamental redesign to improve the way social care services integrates effectively with health. A new performance management	A review of performance management arrangements will be undertaken within Adult Social care to provide assurance that	High

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Audit Review	Days	Risks context	Planned Coverage	Priority
arrangements		framework has been developed as part of this process.	the new framework is working as intended.	
STAR Contract Management (Intend System)	15	This is a new system designed to monitor contracts.	A review as part of the STAR Procurement Audit Plan on the Intend E procurement system in operation at the Council.	Medium
Events income management system	15	Plans are in place to link the events income management system to the new Civica Pay system.	A review of the key controls to ensure risks around income collection processes are properly mitigated in Q4	Medium
National Fraud Initiative	30	NFI matches data across organisations and systems to help public bodies identify anomalies which may signify fraudulent claims and transactions. The Council is required by law to participate in NFI.	Co-ordination and investigation of the data matches identified from the exercise.	High
IT service continuity (Salford Computer Audit Services)	20	IT service continuity is a key area and not been examined before by Internal Audit. Business continuity is a key risk area and in particular the ability and capability of IT to continue to provide services in emergency or disaster situations is important as so many front line services within the Council are reliant upon ICT systems.	Salford Computer Audit Services will undertake this review. It will involve a review of the technical capability of IT to be able to respond to business needs, from system outage to full disaster recovery.	Medium
Patch and Vulnerability Management (Salford Computer Audit Services)	20	This is a key risk area and vital that ICT are able to protect the Council from vulnerabilities in their various guises infiltrating the Council's network, services and data.  No matter how many detection and protection systems are in place, if a vulnerability is 'unknown' then the Council is at risk of being exploited. DDOS and ransomware are on the increase and more and more local authorities are being targeted, so these risks need to be assessed.	Salford Computer Audit Services will undertake this review. It will involve a review of patch and vulnerability arrangements in place to mitigate the risks to a level that the Council can accept.	Medium
Business intelligence	15	Business intelligence is a key driver for change if used effectively. This key service continues to grow as demand increases for intelligence led business decisions.	We will undertake a review of the service and how business intelligence is used in the Council to support business decisions.	Medium

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Audit Review	Days	Risks context	Planned Coverage	Priority
Stockport Support Funds	20	The Council operates 4 discretionary funds (Stockport Local Assistance Scheme (SLAS), Discretionary Housing Payments (DHP), Discretionary Council Tax Support (DCTS) and Section 17). From April 2020, a Stockport Support Fund is being established which integrates the SLAS, DHP and DCTS arrangements. Section 17 sits within Children Services and requires social worker oversight so staff remains with that service. The application process will operate as a single process but with separate budgets and joined up working arrangements between Children's services staff and Support Fund staff.	We will undertake a review of the new financial and operational arrangements to provide assurance that risks are properly mitigated.	High
National Minimum Wage	10	The Council has a legal duty to ensure it complies with HMRC regulations around the National Minimum Wage (NMW).  A number of services present a potential risk of non compliance including schools, social care (in particular adults home care and support services). This includes how we ensure our add ons to salary are included in any calculations to meet NMW.	A review of current processes to ensure we comply with HMRC regulations.	Medium
Certification work	10	Every year the Council receives grant funding for specific initiatives  It is a requirement that the Head of Internal Audit signs a declaration to confirm that the conditions of funding have been complied with.	Annual review of key grants received to confirm expenditure is in line with grant terms and conditions.  This will also involve the annual review of charitable accounts to confirm income and expenditure presents a true & fair view.	-
<b>Total</b>	<b>310</b>			

## 7. Assistance to Coronavirus response work

Audit Review	Days	Risks context	Planned / Actual coverage
<p>Review of ASC – support to care home market</p>	<p>25</p>	<p>Along with many other local authorities, the Council has been working to support care providers to continue to provide a strong continuity of care and resilience in the face of the COVID-19 pandemic.</p> <p>In Adult Social Care, the Council is required to support the sustainability of the entire provider market. This includes all care providers that are located within Stockport, including those that are not commissioned and under contract to the Council.</p> <p>A summary of the funding package for care homes is illustrated below:</p> <ul style="list-style-type: none"> <li>• COVID-19 claim submissions to the funding panel covering mid-March-30th April</li> <li>• Infection Control Funding 1st May – 31st July</li> <li>• Occupancy Protection (6th April – 22nd June minimum – may be extended)</li> </ul> <p>Utilisation of the Infection Control funding would reduce draw down of the COVID-19 funding, which would be utilised for COVID-19 claims up to 30th April (for care homes) and occupancy protection.</p>	<p>The review will aim to provide assurance over controls around:</p> <ul style="list-style-type: none"> <li>• the new processes in place to provide financial support to care homes during Covid 19.</li> <li>• a review of the supporting evidence provided (and/or required from SMBC) by Care Homes as evidence of increased Covid 19 related costs through the funding streams identified above.</li> </ul>

Audit Review	Days	Risks context	Planned / Actual coverage
Deployment to other services on business rates grants reliefs and discretionary grants	60	<p>In response to the coronavirus pandemic, central government ordered certain companies to close down, particularly those in the retail, tourism and hospitality sector. They announced that there were to be financial support for these companies, delivered through the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund.</p> <p>The Council was responsible for administering these grant payments.</p>	<p>One auditor who was previously employed by Revenues and Benefits was deployed to the service to assist in the new business grant payments</p> <p>Ongoing advice, consultancy and support including more detailed review of applications not meeting the immediate criteria for further detailed investigation.</p>
Business rates grants – verification testing	60	Business rate grants issued by the Council to qualifying local businesses via the MHCLG. Specific criteria must be met before the issue of a range of grant payments	<p>Use of IDEA to undertake testing of business rates grants and staff assisting in the verification of results and queries</p> <p>Use of Spotlight software to undertake further detailed checks on applicant status</p>
Business rates - discretionary grants	35	Discretionary grants issued to qualifying local applicants. Specific criteria must be met before the issue of these grants.	Use of IDEA to undertake testing of discretionary grants
Equality Impact assessments 1	4	A review of updated equality impact assessments undertaken as part of covid 19 arrangements	Review of Covid response/ change EIAs
Equality Impact assessments 2	10	EIA's do not correlate with LGA recommendations.	<p>Undertake an analysis of the LGA recommendations and cross match with specific actions highlighted within the individual EIAs.</p> <p>Identify any gaps and risks and confirm with responsible officer relevant mitigating actions.</p>
Ethics Committee	4	Consultancy advice on the key objectives of the function of an Ethics Committee around partnership working with key stakeholders	Research paper for Ethics Committee for Covid resource deployment

<b>Audit Review</b>	<b>Days</b>	<b>Risks context</b>	<b>Planned / Actual coverage</b>
		including social care providers	
Recovery Planning Phase – Workforce development	5	Council planning for workforce to deliver services both through the pandemic phase and the longer term	Advisory work on the Recovery Planning Phase- Workforce development
Covid 19 Test and Trace and other related grant verification	2	Some grants awarded need to comply with various specific criteria to confirm correct use of funds.	Review of grants criteria for test and trace as a requirement for the Council receiving the grant
Systems Data Access Policy Consultancy	5	More staff are working from home now with remote access to systems.	Support to the Head of Data on a systems data / access policy.
Fraud Investigation 1	15	As directed by the Fraud Panel	
Fraud Investigation 2	15	As directed by the Fraud Panel	
Adult Social Care- Provider risk assessment	5	Risk assess care home providers' sustainability in a vastly different market due to the pandemic.	Advice and assistance to ASC colleagues as required.
New Alliance Framework – operational procedures	5	The new Framework is in procurement. It is essential that policies and processes are designed to ensure it is implemented efficiently and effectively from inception.	Advice and assistance to Place Management colleagues as required.
Quality and Learning within Children services	15	TBC	TBC
<b>Total</b>	<b>265</b>		

### Consultancy and Assurance work for Inclusion in 2020/21 Internal Audit Plan

Review	Description	Days
Continuous auditing / monitoring	Provision for further rollout of model on key areas and design of key reports. Review of results in partnership with relevant departments	50
Consultancy / advisory	Consultancy resulting from requests for ad hoc advice on risk and control matters	25
Project Development	A general and flexible contingency element equating to 20 days per Directorate. Advisory work in response to management requests for risk and control advice during key project implementation or system redesign.	60
Management reviews / investigations	Undertaking unplanned reviews or investigations as matters arise during the year or as directed by the Fraud & Irregularities Panel.  <b>We are currently undertaking two investigations as directed by the Fraud &amp; Irregularities Panel. This may mean we have to revise the number of days allocated to this piece of work in the Plan.</b>	40
External Work	Provision of Internal Audit services to TLC	60
<b>Total consultancy and assurance work</b>		<b>235</b>



## List of deferred audit reviews

Audit Review	Days	Risks context	Planned coverage
<b>People are able to make positive choices and be independent</b>			
SEN Transport	20	<p>The number of SEND pupils supported by the service is increasing. This will impact on transportation costs. Currently the SEN transport service transports 539 pupils on 132 different routes.</p> <p>The SEN Transport service has also been the subject of significant restructures in the past few years.</p>	A review of the management and contractual arrangements over SEN transport to ensure outcomes for service users are achieved and risks to service users and the Council are properly mitigated
<b>Sub-total</b>		<b>20</b>	
<b>People who need support get it</b>			
Troubled Families (TF)	15	<p>This is a national initiative in an effort to reduce the number of families that were defined as having or causing problems to the community around them. Such families were also seen to place high costs on the public sector.</p> <p>Within the context of devolution, a new agreement has been reached and approval for GM authorities to have their own financial framework. As part of this the GM has agreed a TF Outcomes Plan which sets out the targets and metrics that the programme will strive towards and ultimately be measured against.</p> <p>It is an annual requirement for Internal Audit to verify the outcomes.</p>	<p>We will focus on the verification of the quality assurance and decision making processes around case management.</p> <p>Drop from 2020-21 plan</p>
Liberty Protection Safeguards	20	<p>The Liberty Protection Safeguards (LPS) are the legislative framework for authorising a deprivation of liberty (within the meaning of Article 5 of the European Convention of Human Rights). They will replace the current process which is called the Deprivation of Liberty Safeguards (DoLS) through the Mental Capacity (Amendment) Act 2019.</p>	We will review the arrangements being established to provide assurance that the service is complying with the new legislation.

Audit Review	Days	Risks context	Planned coverage
		The legislation is due to come into force in 2020.	
New Beginnings Partnership	15	<p>The service works with parents who have experienced trauma and whose children have cases open to children's services due to concerns about neglect or abuse. Most families have children in their care on child protection plans, formal pre-proceedings or under care orders.</p> <p>The service is delivered in partnership with Stockport Family, the integrated children's service run by the Stockport Children's Trust, who provide a seconded social worker, premises and a crèche for group work.</p>	A review of the effectiveness of current working arrangements and to ensure agreed objectives are being met.
Ethnic Diversity Service	20	The Ethnic Diversity Service is a specialist service which provides a number of support functions ranging from supporting English as an additional language in schools, provision of trained bilingual assistants and interpreters.	A review of the financial and operational processes within the service to ensure outcomes for service users are achieved and risks to the Council are properly mitigated.
<b>Sub-total</b>		<b>70</b>	
<b>Stockport benefits from a thriving economy</b>			
Redevelopment of Merseyway	10	<p>The redevelopment of Merseyway represents a substantial investment by the Council to help encourage economic growth and to improve the quality of life for residents.</p> <p>Development schemes can often have complex funding arrangements and frequently involve working with partner organisations.</p>	We will continue to attend the established Project Board meetings to ensure key risks are discussed and managed.
<b>Sub-total</b>		<b>10</b>	
<b>Stockport is a place people want to live</b>			
Stockport Interchange	15	Stockport new transport interchange is a significant £1 billion transformation project in the town centre, involving a new town centre park, residential apartments, transport facilities and improved links between the interchange and the rail station.	We plan to attend the established Project Board meetings to ensure key risks are discussed and managed

Audit Review	Days	Risks context	Planned coverage
		This project is funded by the TfGM and represents a significant risk and opportunity to the Council.	
Contract monitoring arrangements over Totally Local Company	15	As part of the MTFP, TLC has been required to contribute to the delivery of savings. This presents risks to the delivery of the service to members of the public.	<p>A review of the arrangements between the Council and Totally Local Company to establish overarching agreements to ensure key risks around delivery of services are mitigated.</p> <p>To determine if clear responsibilities exist around Place (contract design) and TLC (contractor).</p>
Climate Change	10	The Council is involved in a GM project of Clean Air/Carbon Neutral and subsequently has set up a Project Board and Action Plan.	To support the Project Board and provide assurance over completion of the Action Plan.
<b>Sub-total</b>			
<b>Reform and Governance</b>			
Capital Strategy	10	<p>CIPFA published a revised Prudential Code in December 2017 which requires authorities to produce a Capital Strategy each year with effect from 1 April 2019.</p> <p>The Capital Strategy will be a Council Policy document that will align with the Council’s corporate and strategic objectives. The main objectives of the Capital Strategy is to ensure that capital investment decisions are being made in line with the Council plans, policies and objectives. In addition, there is a requirement to move from reporting a three-year Capital Programme to reporting on much longer term capital developments.</p>	Review to provide assurance that there are robust overarching governance process for the Council’s capital investment decisions in line with the Capital Strategy.
Finance redesign model	20	The Finance Innovation Programme involves partnership working within Financial Management Services and with budget holders, with a view to empowering budget holders and	A review of the effectiveness of the current arrangements in empowering budget holders to make more informed

Audit Review	Days	Risks context	Planned coverage
		senior management in business decision making.	judgements at operational level.
Data quality and security within children case management systems in Liquid Logic	20	Children services have recently implemented the new Liquid Logic case management system. This system is a source of data for the service performance management arrangements. There is a risk around data quality and how accurate and up to date information is held within the Liquid Logic system to facilitate effective performance monitoring.	We will review the processes for ensuring data quality and data security within the Liquid Logic system for children services.
Business Rates – Reliefs / Counter fraud audit of business rates	15	Core financial system as part of 3 year cyclical audit plan. Business Rates is a significant source of income to the Council. There are a number of reliefs granted to businesses, some of which are susceptible to fraudulent practices.	We will undertake a financial systems review and a counter fraud audit of the reliefs within the Business rates system  This has been deferred as part of the coronavirus response work has involved significant number of days of audit work around the business rates new grant & discretionary reliefs.
Counter fraud audit of client’s monies	15	Clients living in supported tenancies are vulnerable adults and risks around misappropriation of client monies are high.	We will undertake a review of the processes in place to mitigate against risks of fraudulent practices.
Counter fraud audit of Direct Payments	10	Direct Payments continues to be a high risk area for the Council in terms of potential fraud. New procedures have been developed and the service has appointed new DP Auditors to verify claims.	We will undertake a review of the processes in place to mitigate against risks of fraudulent practices and evaluate the effectiveness of the new procedures.
<b>Sub-total</b>	<b>90</b>		
<b>GRAND TOTAL</b>	<b>230</b>		