

WIRRAL INTERNAL AUDIT SERVICE

INTERNAL AUDIT PLAN

2019 - 2020

**Internal Audit Service
Marriss House
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Section One

INTRODUCTION

- 1.1 This document summarises the results of Internal Audit's planning work. It sets out details of the:
- Responsibilities and scope of internal audit
 - Resourcing and delivery of the Council's internal audit service
 - Arrangements for reporting internal audit work
 - Proposed programme of work for 2019/20 (the Audit Plan)
- 1.2 The Audit Plan for 2019/20 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 In accordance with PSIAS, the mission of internal audit is to:

Enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

- 1.5 The work of internal audit is a key element in delivering the Council's strategic priority of corporate effectiveness and business efficiency, but also supports the Council in achieving all the aims and objectives set out in the Wirral Council Plan: A 2020 Vision.
- 1.6 The PSIAS require that the internal audit service is delivered and developed in accordance with the internal audit charter. The Council has formally agreed provisions relating to internal audit as detailed in the Financial Procedure Rules of the Council's Constitution in accordance with the Internal Audit Charter.

Section Two

INTERNAL AUDIT – RESPONSIBILITIES AND SCOPE

2.1 *Responsibilities of internal audit*

The internal audit function is responsible for:

- Reviewing and developing the Council's governance processes. Specifically, this includes:
 - Promoting appropriate ethics and values within the Council
 - Supporting effective organisational performance management and accountability
 - Communicating risk and control information to appropriate areas of the organisation
 - Coordinating the activities of, and communicating information among, Audit and Risk Management Committee, external audit, internal audit and management
- Evaluating the effectiveness of the Council's risk management processes and contributing to their improvement
- Assisting in the maintenance and development of an effective control environment by providing robust independent assurance over its operation.

2.2 *Responsibilities of management*

The establishment and maintenance of adequate control systems is the responsibility of management. Recommendations made by internal audit can reduce risk and improve systems of control. However, the implementation of audit recommendations cannot eliminate risk entirely.

2.3 *Responsibilities of the Audit and Risk Management Committee*

In regard to internal audit, the Audit and Risk Management Committee is responsible for:

- Approving, but not directing, internal audit's strategy, plan and monitoring performance
- Reviewing summary internal audit reports and the main issues arising, and seeking assurance that action has been taken where necessary
- Receiving and considering the Chief Internal Auditors annual report.

2.4 *Responsibilities for fraud prevention and detection*

The primary responsibility for the prevention and detection of fraud rests with management. Management's responsibilities include creating an environment where fraud is not tolerated, identifying fraud risks, and taking appropriate actions to ensure that controls are in place to prevent and detect fraud.

It is not the role or responsibility of internal audit to detect fraud. However, internal audit will evaluate the potential for the occurrence of fraud in each assignment and how the Council manages the risk of fraud.

2.5 *Scope of internal audit activities*

The scope of internal audit work includes:

- The entire control environment of the Council, comprising financial and non-financial systems.
- Reviewing controls that protect the interests of the Council in its dealings with partnerships in which the Council has an involvement.

Internal audit may also provide assurance services to parties outside the Council as appropriate and with the agreement of the Council.

Section Three

RESOURCING & DELIVERY OF INTERNAL AUDIT

3.1 *Resource requirements*

The level of resource required to deliver an effective internal audit service to the Council has been assessed based on the need to provide adequate audit coverage of the Council's:

- Key financial systems
- Risk management and governance arrangements
- Front line services
- Support services
- Procurement and contract management activity
- Information management arrangements
- Anti-fraud and corruption arrangements
- Schools

Account has also been taken of the need to be able to resource:

- Unplanned work which may arise during the year
- Follow up work to provide assurance that previously agreed recommendations are implemented
- Provision of advice and consultancy to internal customers

3.2 *Delivery of the internal audit service*

The 2019/20 Internal Audit Plan will be delivered by a highly experienced and suitably qualified in-house team of 11 FTE auditors. The level of available internal audit resource is considered sufficient to deliver a robust annual internal audit opinion to the Audit and Risk Management Committee.

As in recent years, where opportunity arises, the internal audit team will also collaborate with internal audit colleagues from other local authorities in regard to the approach and delivery of particular audit assignments.

3.3 *Independence and objectivity*

The internal audit team is managed by the Chief Internal Auditor reporting directly to the Director: of Finance and Investments, the Council's statutory Section 151 Officer and with direct unfettered access to the Chief Executive Officer and Chair of the Audit and Risk Management Committee. These arrangements are designed to prevent any potential impairment to independence and objectivity in regard to the provision of an effective internal audit.

3.4 *Approach to placing reliance on other sources of assurance*

When planning specific audit assignments, other sources of assurance may be taken into consideration in order to ensure the best use of the audit resource. Any work that is necessary in order to place reliance on other sources of assurance will be determined as required for each assignment.

3.5 *Assurance services to other organisations*

The only assurance work provided to an external party is that delivered to Edsential which is the trading company established to deliver support services to Schools. Wirral Internal Audit Services have included some time within the audit plan for 2019/20 to accommodate work of this nature during the year as required.

Section Four

INTERNAL AUDIT REPORTING ARRANGEMENTS

4.1 *Distribution of internal audit reports*

At the conclusion of each audit assignment, a draft report and action plan is discussed with the manager responsible for the area which has been audited. A final report containing management responses to any issues identified is subsequently distributed to:

- The relevant Senior Managers for the area reviewed,
- The Strategic Directors responsible for the area reviewed,
- The Council's external auditor, Strategic Leadership Team and ARMC in summary bi-monthly activity report format.

4.2 *Overall assurance opinion*

In each audit report, an overall opinion on the organisational risk presented is provided for the area audited. The opinion is based on the information obtained in the course of the audit and represents an assessment of the effectiveness of the risk management, control and governance processes in the area audited.

| Organisational Risk Rating | Explanation |
|----------------------------|---|
| Major | This opinion indicates that the likelihood/impact of the risks identified during the review, should they materialise, would leave the Council open to major risk of a fundamental or material nature. This opinion suggests that there are some potentially serious weaknesses in the design and/or operation of the control environment that may have a significant impact on the achievement of systems and or corporate objectives if not addressed. |
| Moderate | This opinion indicates that the likelihood/impact of the risks identified during the review, should they materialise would leave the Council open to moderate risk of a fundamental or material nature. This opinion suggests that there are some weaknesses in the design and/or operation of the control environment that may have varying degrees of impact on the achievement of the systems and/or corporate objectives. |

| | |
|-------------------|--|
| Minor | This opinion indicates that the likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to minor risk. |
| Negligible | There were no weaknesses identified during the review |

4.3 *Reporting to elected members*

On a regular scheduled basis throughout the year internal audit update/progress reports are presented to the Audit and Risk Management Committee Members summarising the outcomes of internal audit work and any significant matters identified. Such matters may include risk exposures, governance weaknesses, performance improvement opportunities and value for money issues and include those matters escalated to Members for action..

In addition to this, Members are emailed a bi-monthly Internal Audit Activity Summary report throughout the year identifying audits completed, opinions provided, summary findings and a RAGB rating indicating the status of actions being taken by officers in response to audit recommendations. Information is provided in this manner to ensure that the timeliness of data provided is maintained effectively on an ongoing basis.

4.4 *Annual Audit Opinion*

An annual report is presented to the Audit and Risk Management Committee which includes the Chief Internal Auditor's overall opinion on the Council's risk management, control and governance processes. This opinion forms one of the sources of assurance in support of the Council's Annual Governance Statement. The opinion is based upon the collective findings from the internal audit work completed during the year.

Section Five

INTERNAL AUDIT PLAN - METHODOLOGY

5.1 *Requirements of the Public Sector Internal Audit Standards*

The PSIAS state that the 'chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals'.

5.2 *Development of the Audit Plan*

In developing the Audit Plan, account has been taken of:

- The Council's risk management processes
- Senior management's views on risk in their areas of responsibility
- The results of previous internal audit work
- Other existing sources of assurance, including the work of external audit
- New or emerging risks affecting the Council or local government as a whole
- Known changes to the Council's business, operations, programs, systems, and controls
- The requirement to ensure sufficient and wide ranging coverage in order to provide a robust annual audit opinion
- Any planned work deferred from the 2018/19 Audit Plan that is still considered a priority

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

The Audit Plan has been prepared in a way that aligns each piece of planned work with the key risks presented to the Council whilst also taking account of corporate priorities. Some planned reviews clearly contribute to more than one risk or priority. For presentational purposes the reviews have been listed in a manner that is considered most closely linked to the relevant directorate.

5.4 *Budgeted time allocations*

A budgeted time allocation has been set for each area included in the Audit Plan. It is accepted that the exact resource requirement for each assignment cannot be forecast with certainty at this stage. The plan therefore represents the best estimate of the way in which the Council's internal audit resources will be deployed.

5.5 *Timing and prioritisation of audit work*

The intention is to complete all planned work within the year. However, the timing and respective prioritisation of work will take account of:

- The need to finalise any work from 2018/19 that remains incomplete at year-end
- The requirement to provide assurance over the Council's key financial systems
- The views of management of the service areas in regard to the timing of work
- Any other factors that may be relevant to the timing of a particular piece of work
- Any urgent unplanned work arising
- Changes in the level of audit resources available

5.6 *Significant interim changes to planned work*

The Audit Plan will be kept under review during the year and it may be necessary to make revisions to planned work in order to respond to changes in priorities or changes in the level of internal audit resources. Minor changes will be agreed with the relevant operational Directors. Any significant interim changes will be reported to the Audit and Risk management Committee.

Section Six

SUMMARY INTERNAL AUDIT PLAN

| Audit Area | 2019/20 Audit Days |
|---|--------------------|
| Business Management (including financial systems, governance) | 567 |
| Children's Services (Including Schools) | 258 |
| Delivery | 63 |
| Economic & Housing Growth | 78 |
| Health & Care | 53 |
| Strategy & Partnerships | 36 |
| Merseyside Pension Fund | 150 |
| ICT | 187 |
| Counter Fraud | 300 |
| Advisory | 45 |
| Contingency | 105 |
| Total Planned Audit Days | 1842 |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|--|---|---|--------------------|
| BUSINESS MANAGEMENT | | | |
| Corporate Governance / Annual Governance Statement (AGS) | <p>Statutory requirement for the Council to produce an Annual Governance Statement.</p> <p>Failure to maintain effective corporate governance could result in poor decision-making, malpractice and breach of legislation, leading to regulatory intervention and significant cost, both in financial terms and to the reputation of the Council.</p> <p>(Corporate Risk).</p> | <p>Undertake work to support and assist in the preparation of the Annual Governance Statement, ensuring it aligns with knowledge and understanding of structures and processes in place. .</p> <p>Provide support and challenge to development of governance arrangements, including attendance and support for Corporate Governance Group and review of Code of Corporate Governance.</p> <p>Assessment of risks and mitigating controls to ensure the Council maintains effective corporate governance.</p> | X |
| Risk Management | <p>A robust risk management framework is essential to ensure the range of risks to service delivery and achievement of Council priorities are effectively managed.</p> | <p>Support for the on-going development of the Council's risk management arrangements. Overview of the Council's risk management arrangements. Support, challenge and evaluate the extent to which corporate risk management policy is consistently applied corporately and within service departments.</p> | X |
| Ethical framework | <p>Robust ethical procedures will help ensure good governance and protect the Council's reputation.</p> | <p>Review of risk areas within Council's Ethical Framework. Evaluate the effectiveness of the processes supporting compliance with ethical</p> | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|--|---|---|--------------------|
| | | governance principles. | |
| Performance Management – Business Planning | Effective performance management arrangements remain key to ensuring Council activity is geared to achievement of Council objectives. | Review of aspects of the business and service planning arrangements in a sample of Council departments. | X |
| Financial Resilience | Failure to effectively manage changes to the way that the Council is funded could lead to poor decisions on service reductions, unplanned efficiencies and in year overspends, resulting in the Council being unable to deliver priority services to vulnerable communities. (Corporate Risk) | Assessment of risks and mitigating controls to ensure the Council's has robust arrangements in place for ongoing financial resilience. | X |
| Employee engagement and capacity for change | A risk that insufficient capacity or expertise, cultural resistance from staff or ineffective engagement with partners means that the ambition of the Wirral Plan is not realised, perpetuating inefficiencies and preventing required outcomes from being achieved. (Corporate Risk) | Assessment of risks and mitigating controls to ensure the Council has appropriate arrangements in place to overcome potential barriers to the delivery of the Wirral Plan, including capacity, cultural and partner engagement. | X |
| Financial Systems <ul style="list-style-type: none"> • Council Tax • Business Rates • Payroll | These systems provide material disclosures for the financial statements. (S151 requirement). | High level reviews evaluating and testing the effectiveness of the key controls within each financial system and focused on any emerging key risks areas. | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|--|--|--|--------------------|
| <ul style="list-style-type: none"> • Benefits • Accounts Receivable • Accounts Payable • Income Reconciliation | | | |
| Client Finance Support Team | These operations provide essential support to vulnerable clients. | Assurance on effectiveness of the client finance support systems reviewed on a cyclical basis. i.e. Direct Payments, Court of Protection. | X |
| Business Support | Business support systems underpin the delivery of effective customer services. | Assurance on effectiveness of systems for business support within Customer Services. | X |
| Capital Financing | These systems provide material disclosures for the financial statements. | High level reviews evaluating and testing the effectiveness of the key controls within the Capital Programme, Assets and Treasury Management operations focused on any emerging key risks areas. | X |
| Financial Accounting System | These systems provide material disclosures for the financial statements. | High level reviews evaluating and testing the effectiveness of the key controls within the accounting practices and budgetary control focused on any emerging key risks areas. | X |
| Financial Management | Provision of assurance to the S151 Officer on the supporting financial management systems. Weaknesses in financial management | Reviews evaluating and testing the effectiveness of the key controls within the financial systems that support the Council's business and focused on any emerging key risks areas. | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|----------------------------|--|--|--------------------|
| | result in the poor use of the Council's available resources (Critical Operational Risk) . | Assessment of risks and mitigating controls. | |
| Regularity testing | A risk of non-compliance with Council financial policies and procedures. | Focussed sample testing of transactions, using IT assisted sampling approach and agreed exception parameters to determine sample, to identify any significant instances of non-compliance. | X |
| Grants | Essential to maximise income and prove details claimed are accurate and prompt. | Responsive work prior to despatch of claims | X |
| Commissioning | Important for organisation to maintain effectiveness of identifying outcomes to meet needs through efficient market intelligence and stakeholder involvement. Risk of interruption to the delivery of vital services from the failure of a critical supplier (Critical Operational Risk) | Support and guidance plus compliance work regarding: - Environmental Improvements - Highways - Consultants - Procurement Assessment of risks and mitigating controls. | X |
| Constitution | Essential to overall good governance that the Council's Constitution is current, relevant and functions effectively. | Annual review and feedback to Monitoring Officer regarding assurance on effectiveness and corporate compliance. | X |
| HR Policies and Procedures | Important compliance with legislation and Council policies. | Assurances on effectiveness of sample of key policies and procedures. | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|----------------------------------|---|---|--------------------|
| Commercialism | Impact on future income flows of any failure to develop and deliver commercial culture and processes. | Annual review of governance, specifically efficiency and effectiveness of decision-making regarding commercial ideas and the actual improvements in income as a result. | X |
| PRAD Forms | Failure to comply with the Council's Contract Procedure Rules. | Review of the completion and authorisation of the various PRAD forms, specifically the exceptions to the Contract Procedure Rules. | X |
| Transformation/Change | Important to continually review and develop Council processes to meet business needs. | Reactive input to projects. | X |
| Health and Safety Management | If health and safety/compliance policies and procedures are not sufficiently developed, tested or adhered to by officers, members or contractors, this could lead to an incident resulting in harm to employees/Members/members of the public, legal challenge and reputational damage. (Corporate Risk) | Assessment of risks and mitigating controls to ensure full compliance with legislative requirements and policies agreed with Council's partners. | X |
| Mayor's Charity | Failure to comply with Charity Commission requirements. | Undertake Independent Examination of the Mayor's Charity accounts. | X |
| Follow-ups | Agreed recommendations not implemented. | Follow up of all audit recommendations. | X |
| TOTAL BUSINESS MANAGEMENT | | | 567 |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|-----------------------------------|---|--|--------------------|
| CHILDREN'S SERVICES | | | |
| Schools | Appropriate financial control arrangements and sound governance procedures are essential to ensuring effective financial management in school. | An audit programme focussed on financial and governance risks is undertaken at all schools over a 4 year programme, with phasing planned based on risk assurance rating. Ongoing support and guidance on effective control environments provided as requested. | X |
| Troubled Families | Need to maximise income and prove details claimed accurate and valid. | Verification of grant claim details including appraisal of outcomes. | X |
| Significant Safeguarding Incident | The Council and its partners do not effectively manage their relevant safeguarding risks, leading to a safeguarding incident, resulting in harm to individuals and/or families, potential legal challenge, resident dissatisfaction and public scrutiny. (Corporate Risk) | Assessment of risks and mitigating controls to ensure safeguarding issues are correctly identified, actioned appropriately and outcomes monitored. | X |
| Children's Services | Important that service maintain effective systems of governance, performance and finances to ensure ongoing delivery of statutory requirements. | Payments and processes reviews to give assurances on accuracy and control, covering Social Care Payments, Cash Handling Controls and Early Years Provision. | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|----------------------------------|--|---|-----------------------|
| Leaving Care Grants | Potential inaccuracy and inefficiency in payments to care leavers. | Assessments of policy compliance, methodology of payments and monitoring procedures. | X |
| TOTAL CHILDREN'S SERVICES | | | 258 |
| DELIVERY | | | |
| Asset Ownership Liability | Reductions in resources for the preventative maintenance and repair of physical assets result in a significant asset failure, leading to injury and/or interruption to service delivery. (Critical Operational Risk) | Assessment of risks and mitigating controls to ensure sufficient ongoing asset reviews take place, with necessary funding streams to schedule required improvements to meet legislative and operational requirements. | X |
| Highways Services | Recently redesigned service controlled in-house providing planned and reactive services. | Assessment of governance and performance aspects of managed service with assurances regarding operation of key financial controls. | X |
| Homelessness | Provision of essential service to assist vulnerable individuals. | Assurances regarding legislative and policy compliance, identification of priority cases and working with partners to provide support. | X |
| Edsential | Potentially significant risks associated with delivery of these external services to schools. | Potential to undertake targeted audit work, as part of an SLA, to contribute to development and operation of effective control environment. | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|--------------------------------------|---|---|--------------------|
| Wirral Evolutions | Important Local Authority Trading Company delivering services regarding day centres and day opportunities. Essential that governance arrangements are robust. | Delivery of service agreement covering key governance, performance and financial aspects of service, including ongoing consultancy advice on control environment within Centre and specific sites. | X |
| TOTAL DELIVERY | | | 63 |
| ECONOMIC & HOUSING GROWTH | | | |
| Local Plan | A failure to ensure the Council's arrangements for the consultation, publication and implementation of the Local Plan could result in intervention, a loss of control over future development and missed opportunities to promote economic growth. (Corporate Risk) | Assessment of risks and mitigating controls to review whether the Council has appropriate arrangements for the consultation, publication and implementation of the Local Plan | X |
| Exposure to Economic and Market Risk | The aggregate level of risk presented by multiple regeneration projects is not recognised, leaving the Council over-exposed in the event of a downturn in the economy and/or markets. (Corporate Risk) | Assessment of risks and mitigating controls to ensure the Council is effectively engaging with relevant partners concerning contingency plans, with full awareness of financing options and contractual requirements. | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|--|---|--|--------------------|
| Wirral Growth Company | <p>The partnership agreement for the Wirral Growth Company is not signed preventing the Council from setting a legal budget and undermining public and investor confidence in the authority.</p> <p>Lack of an effective ongoing working relationship with development partner leading to delays and ineffective delivery.</p> <p>Failure of the Wirral Growth Company to deliver anticipated benefits undermines the Council budgetary position, economic growth aspirations and public and investor confidence in the authority.</p> <p>(Corporate Risk)</p> | <p>Assessment of risks and mitigating controls to ensure all risks and opportunities effectively covered in agreement with development partner and clear governance processes structure the continuing working arrangements.</p> | X |
| Wirral Waters | <p>Potential failure to deliver on target with commensurate impact on regeneration plans and planned income streams.</p> | <p>Reviews of control environment to ensure satisfactory progression of projects within regeneration scheme and advice regarding operation of Investment Fund.</p> | X |
| TOTAL ECONOMIC & HOUSING GROWTH | | | 78 |
| HEALTH & CARE | | | |
| Demand Management | <p>Failure to improve the quality of health and care services through integrated commissioning and delivery arrangements, could lead to demand</p> | <p>Assessment of risks and mitigating controls in respect of integrated commissioning and delivery of health & care</p> | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|------------------------------------|---|---|--------------------|
| | <p>continuing to increase, leaving the Council exposed to increased financial pressures in relation to meeting social care assessed need. (Corporate Risk).</p> | | |
| Upstream / preventative activity | <p>Insufficient time and resource for preventative and upstream activity mean that outcomes for vulnerable people do not improve, resulting in demand for reactive services not reducing, or increasing. (Corporate Risk).</p> | <p>Assessment of risks and mitigating controls to help ensure the Council has appropriate arrangements in place to manage the risks in respect of improving outcomes and reducing demand for reactive services for vulnerable people.</p> | X |
| Controcc Payments | <p>Essential that accurate and efficient payments are made to genuine care recipients.</p> | <p>Review control arrangements regarding care financials system.</p> | X |
| TOTAL HEALTH & CARE | | | 53 |
| STRATEGY & PARTNERSHIPS | | | |
| Partnership working | <p>Inability to take advantage of collaborative opportunities locally and nationally, limiting improvement in economic conditions for the community</p> | <p>Assessment of risks and mitigating controls to help ensure the Council has sound overarching arrangements to manage the corporate risk, including in respect of the Wirral Plan and LCR.</p> | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|--|---|--|--------------------|
| | and the Council's funding position. (Corporate Risk) | | |
| Brexit | Uncertainty caused by Brexit adversely affects public and market confidence, impacting on demand for housing, investment funding being sustained, and lack of workers available for care type work. (Corporate Risk) | Assessment of risks and mitigating controls to ensure full awareness on an ongoing basis of the potential implications of Brexit as negotiations continue and outcomes become clearer. | X |
| TOTAL STRATEGY & PARTNERSHIPS | | | 36 |
| PENSION FUND | | | |
| | The Council as administering authority for the Merseyside Pension Fund (MPF) is required to make arrangements for the proper administration of the financial affairs of the Fund and provide assurance they are managed to secure effective, economic and efficient use of resources and to safeguard its assets. | Provision of an opinion on the MPF control environment based on the outcomes of a separate cyclical MPF internal audit plan. The plan is updated annually to take into account the emerging key risks facing the Fund, and is delivered in accordance with the approved service level agreement. The work is split between: Pensions Administration; Investments, Accounting & Compliance; and cross cutting risk areas. | X |
| TOTAL PENSION FUND | | | 150 |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|--|--|---|--------------------|
| ICT | | | |
| Cyber Security | IT security is insufficient to deter, detect and prevent unauthorised access to IT systems, resulting in loss of data and disruption to Council services. (Corporate Risk) | Assessment of risks and mitigating controls to provide assurance that there are robust controls in place to prevent a wide range of Cyber-Attacks. Reviews to include the protection of internet connected systems in the following areas: <ul style="list-style-type: none"> - cyber governance - application of security controls - cloud strategies and controls - threat and vulnerability management - firewall and network security - compliance. | X |
| Data Governance | Insufficient or ineffective information governance results in the wrongful release of a significant amount of personal and/or sensitive information. (Critical Operational Risk) | Assessment of risks and mitigating controls to provide assurance that there are sufficient controls in place to manage key risks in the various aspects of information management including sharing, recording, storing, security and compliance. To provide assurance that information is managed in line with the LPS Data Handling Guidelines. | X |
| Business Continuity/ Disaster Recovery | Insufficient Business Continuity Plans and Disaster Recovery processes - Failure to coordinate and maintain effective business continuity plans leaves the Council unable to respond to an incident, resulting in a major failure in | Assessment of risks and mitigating controls to provide assurance that there are sufficient controls in place to manage key risks. | X |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|----------------------------------|---|---|--------------------|
| | <p>service delivery (Corporate Risk)</p> <p>Risk of critical IT failure - A sustained outage of the Council's network or of critical systems / applications from deliberate action, unintentional error or physical events (storm, flood, fire etc.) (Critical Operational Risk).</p> | | |
| Digital Transformation Programme | <p>Successful delivery of the digital transformation programme is crucial to the delivery of the Council's transformation agenda. Key digital transformation projects currently underway include:</p> <ul style="list-style-type: none"> - Access Wirral - Customer Access Solution - Digital Infrastructure (Full Fibre Network) - Microsoft Teams and Sharepoint. | To provide assurance that projects are managed and monitored sufficiently to ensure that they are delivered in time, on budget and planned benefits are realised. | X |
| Follow-ups | Agreed recommendations not implemented. | Follow up of recommendations made by internal and external assurance providers to provide assurance that actions are implemented in a timely manner. | X |
| TOTAL ICT | | | 187 |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|---|--|---|--------------------|
| COUNTER FRAUD | | | |
| Counter Fraud Strategies, Policies and Awareness Training | Fraud and corruption are ever present risks to all organisations. It is important therefore that the Council's arrangements to counter fraud reflect best practice. | Review internal fraud policies and evaluation of awareness and compliance across the Council and continued delivery of awareness training for all employees. | X |
| National Fraud Initiative (NFI) | NFI matches data across organisations and systems to help public bodies identify anomalies which may signify fraud. The Council is required by law to participate in NFI. | Coordination of the NFI 2018/19 exercise, including the investigation of matches and review of user outcomes. To identify possible cases of fraud and error from data provided through NFI and ensure that corrective action is taken in respect of any identified under/overpayment. | X |
| Fraud – Reactive | Fraud referrals deemed of sufficient significance to be referred to and accepted by the CIA are investigated by Internal Audit in line with the Counter-Fraud and Corruption Strategy. | Investigations of allegations/referrals to Internal Audit | X |
| Fraud – Proactive | Fraud and corruption are ever present risks to all organisations. It is important therefore that a programme of proactive anti-fraud work is undertaken to prevent and detect fraud. | Risk based proactive work to prevent and detect fraud. | X |
| TOTAL COUNTER FRAUD | | | 300 |

| Area of Audit Work | Risk Context | Overview of Assurance | 2019/20 Audit Days |
|--|---------------------|--|-------------------------------|
| ADVISORY | | | |
| Audit Queries | | Time allocation for specific queries that arise from directorates that require audit services. | X |
| Corporate Working Groups National/Regional Working Groups | | Time allocation to contribute to Audit Working Groups (in addition to that included under respective risk areas above) | X |
| TOTAL ADVISORY | | | 45 |
| TOTAL CONTINGENCY | | Time allocation to allow for new emerging risks and unplanned work for example large investigations. | 105 |
| TOTAL AUDIT DAYS | | | 1842 |