

NOTICE OF MEETING

Meeting: AUDIT COMMITTEE

Date and Time: FRIDAY, 26 MARCH 2021, AT 9.30 AM*

Place: MICROSOFT TEAMS - ONLINE

Enquiries to: E-mail: andy.rogers@nfdc.gov.uk
Tel: 023 8028 5070

PUBLIC PARTICIPATION:

*Members of the public may speak in accordance with the Council's public participation scheme:

- (a) immediately before the meeting starts, on items within the Audit Committee's terms of reference which are not on the public agenda; and/or
- (b) on individual items on the public agenda, when the Chairman calls that item. Speeches may not exceed three minutes.

Anyone wishing to speak should contact the name and number shown above no later than 12.00 noon on Wednesday, 24 March 2021. This will allow the Council to provide public speakers with the necessary joining instructions for the Microsoft Teams Meeting.

Bob Jackson
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
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This Agenda is also available on audio tape, in Braille, large print and digital format

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meetings held on 23 October 2020 and 29 January 2021 as correct records.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. PUBLIC PARTICIPATION

To note any issues raised during the public participation period.

4. INTERNAL AUDIT PROGRESS REPORT 2020/21 (Pages 5 - 20)

To note an overview of internal audit activity completed in accordance with the approved Audit Plan together with a summary of the status of 'live' reports.

5. INTERNAL AUDIT CHARTER 2021/22 (Pages 21 - 32)

To consider the Internal Audit Charter for 2021/22.

6. INTERNAL AUDIT PLAN 2021/22 (Pages 33 - 48)

To consider the Internal Audit Plan for 2021/22 and indicative plans for future years.

7. ANNUAL FINANCIAL REPORT AND EXTERNAL AUDIT CYCLE 2020/21 AND 2021/22 - VERBAL UPDATE

To receive a verbal update on the Annual Financial Report and external audit cycle.

8. AUDIT COMMITTEE WORK PLAN (Pages 49 - 50)

To consider the Audit Committee's Work Plan.

9. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

NEW FOREST DISTRICT COUNCIL – VIRTUAL MEETINGS

Background

This meeting is being held virtually with all participants accessing via Microsoft Teams.

A live stream will be available on YouTube to allow the press and public to view meetings in real time and can also be found at the relevant meeting page on the Council's website, with this published agenda.

Principles for all meetings

The Chairman will read out Ground Rules at the start of the meeting for the benefit of all participants. All normal procedures for meetings apply as far as practicable, as the Government Regulations do not amend any of the Council's existing Standing Orders.

The Ground Rules for all virtual meetings will include, but are not limited to, the following:-

- All participants are reminded that virtual public meetings are being broadcast live on YouTube and will be available for repeated viewing. Please be mindful of your camera and microphone setup and the images and sounds that will be broadcast on public record.
- All participants are asked to mute their microphones when not speaking to reduce feedback and background noise. Please only unmute your microphone and speak when invited to do so by the Chairman.

- Councillors in attendance that have not indicated their wish to speak in advance of the meeting can make a request to speak during the meeting by using the “raise hand” feature in Microsoft Teams. Requests will be managed by the Chairman with support from Democratic Services. Please remember to “lower hand” when you have finished speaking.
- The chat facility should not be used unless raising a point of order or providing the wording for a motion.
- All participants are asked to refer to the report number and page number within the agenda and reports pack so that there is a clear understanding of what is being discussed at all times.

Voting

When voting is required on a particular item, each councillor on the committee will be called to vote in turn by name, expressing their vote verbally. The outcome will be announced to the meeting. A recorded vote will not be reflected in the minutes of the meeting unless this is requested in accordance with the Council’s Standing Orders.

By casting their vote, councillors do so in the acknowledgement that they were present for the duration of the item in question.

Technology

If individuals experience technical issues, the meeting will continue providing that it is quorate and it is still practical to do so. The Chairman will adjourn the meeting if technical issues cause the meeting to be inquorate, the live stream technology fails, or continuing is not practical.

Public Participation

Contact details to register to speak in accordance with the Council’s Public Participation Procedures are on the front page of this agenda.

In order to speak at a virtual meeting, you must have the facility to join a Microsoft Teams Meeting. Joining instructions will be sent to registered speakers in advance of the meeting.

The Council will accept a written copy of a statement from registered speakers that do not wish to join a Microsoft Teams Meeting, or are unable to. The statement will be read out at the meeting and should not exceed three minutes. Please use the contact details on the agenda front sheet for further information.

To:

Councillors:

Alan O’Sullivan (Chairman)
 Emma Lane (Vice-Chairman)
 Alan Alvey
 Hilary Brand

Councillors:

Mahmoud Kangarani
 Martyn Levitt
 Ann Sevier
 John Ward

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AUDIT COMMITTEE – 26 MARCH 2021

INTERNAL AUDIT PROGRESS REPORT 2020-21 – MARCH 2021

1. INTRODUCTION

- 1.1. The purpose of this report is to provide the Audit Committee with an overview of internal audit activity completed in accordance with the approved audit plan and to provide an overview of the status of 'live' reports.

2. SUMMARY

- 2.1. Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:

- ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
- undertaking an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.

- 2.2. In accordance with the Public Sector Internal Audit Standards and the Council's Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to the Audit Committee, summarising:

'communications on the internal audit activity's performance relative to its' plan.'

- 2.3. Appendix A summarises the performance of Internal Audit for 2020-21 to 10 March 2021.

3. FINANCIAL IMPLICATIONS

- 3.1. The audit plan consists of 470 audit days including 18 audit days provided to the New Forest National Park Authority under the current Service Level Agreement. The Council's budget for 2020-21 reflects these arrangements.

4. CRIME AND DISORDER IMPLICATIONS

- 4.1. There are no crime and disorder implications arising directly from this report, however inadequate audit coverage may result in areas of control weakness, unacceptable risks or governance failings as well as the increased potential for error and fraud.

5. ENVIRONMENTAL MATTERS & EQUALITY AND DIVERSITY IMPLICATIONS

5.1. There are no matters arising directly from this report.

6. RECOMMENDATION

6.1. The Audit Committee note the content of the progress report, attached as Appendix A.

For Further Information Please Contact:

Antony Harvey
Deputy Head of Partnership (SIAP)
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E-mail: antony.harvey@hants.gov.uk

Background Papers:

Internal Audit Plan 20-21

Internal Audit Progress Report (March 2021)

New Forest District Council



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**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

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

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

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 organisations’ 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’.

New Forest District 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. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

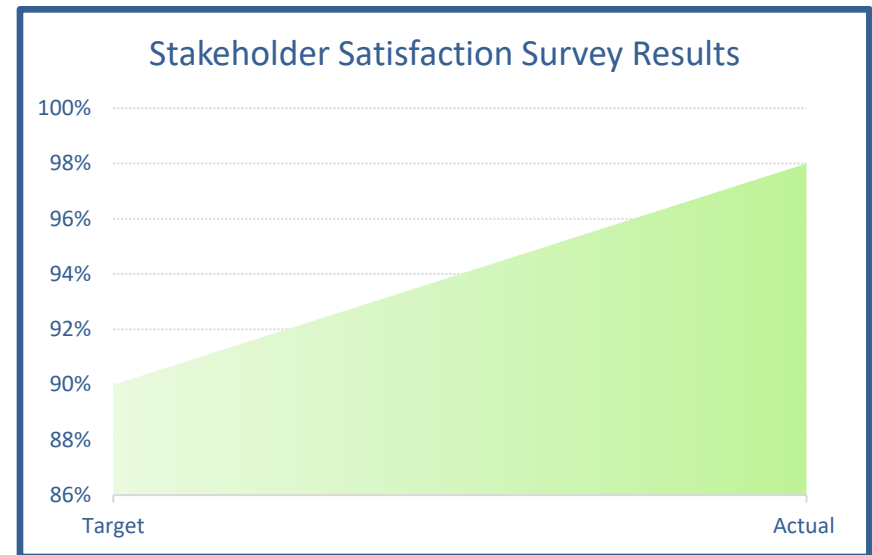
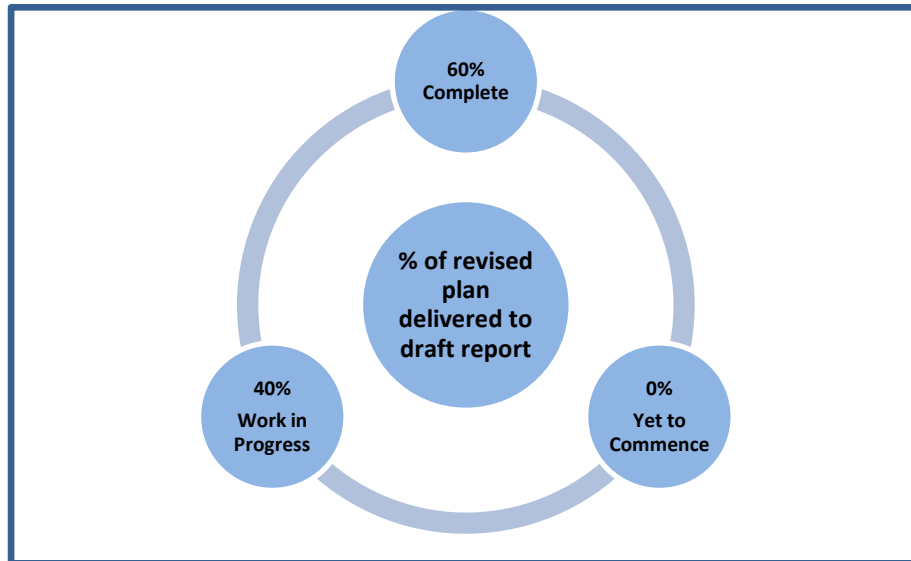
Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review.

CIPFA have recently released a paper which examined the case for standardising the terminology and definitions used in internal audit engagements across the whole of the public sector and has subsequently recommended a standard set of opinions and supporting definitions for internal audit service providers to use. To ensure we continue to conform to the best practice principles, we will be adopting the standard definitions for our 2020-21 work and moving forwards. The assurance opinions are categorised as follows:

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.
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.
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.
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.

** Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to adoption of the CIPFA standard definitions, reference is provided at Annex 2*

3. Performance dashboard



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Compliance with Public Sector Internal Audit Standards

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

'The mandatory elements of the International Professional Practices Framework (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.'

4. Analysis of 'Live' audit reviews

There are 14 outstanding actions (including four high priority actions) relating to two audits completed by the in-house team prior to the move to SIAP (unchanged from the previous reported position). The current progress to resolve the actions is:-

- Payment Card Industry Data Security Standards (PCI DSS) Compliance. The replacement of the legacy financial system, website update and replacement of the telephony system should help to resolve the PCI DSS non-compliance issues.
- Business Continuity. Following an external review of the Council's Business Continuity and Emergency Planning arrangements, actions is being taken to improve the arrangements and address outstanding issues. This will be followed up by Internal Audit once implemented and embedded.

There are four overdue high priority actions relating to audit reviews completed since the move to SIAP. The status of these actions are:-

- Programme and Project Management – The three high priority actions relate to updating the programme / project management framework and promoting a consistent approach across the Council. Due to responding to the COVID-19, progress with updating and implementing the revised framework has not progressed within the originally intended timescales. This will be followed up by Internal Audit once implemented and embedded.
- Community Safety/CCTV. The overdue high priority action relates to updating policies and operational procedures which has slipped due to prioritising essential, front line activities during the pandemic. The policy update is anticipated during the spring of 2021.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
Risk Management	Mar 19	SM (E&BI)	Adequate	1	0	0	0	1		
Main Accounting	Mar 19	HoF	Substantial	4	0	0	3		1	
Income Collection	May 19	SM (E&BI)	Adequate	1	0	0	0		1	
Programme and Project Management	Nov 19	HoF	Adequate	9	0	0	4	1	1	3
Parking and Enforcement	Nov 19	SM (S)	Adequate	6	0	0	0	1	5	
Accounts Receivable / Debt Management *	May 20	SM (R&B)	Adequate	1	0	0	1			

P-Card Taxation (VAT)	May 20	HoF	Adequate	2	0	0	0		2	
Fleet Management	May 20	SM (W&T)	Limited	18	0	2	14	1	1	
Main Accounting	May 20	HoF	Adequate	5	0	0	0		5	
Housing Finance (Right-to-Buy) *	Jun 20	SM (HO)	Adequate	2	0	0	2			
Community Safety - CCTV	Jun 20	SM (EM&S)	Adequate	4	0	0	3			1
Information Governance *	Jun 20	SM (L&P)	Adequate	3	0	0	3			
Planning (incl. Community Infrastructure Levy) *	Jun 20	SM (PMD)	Adequate	4	0	0	4			
Health & Safety	Jul 20	SM (E&R)	Adequate	6	0	1	0	5		
Fraud Governance *	Sep 20	SM (R&B)	Substantial	2	0	0	2			
Governance – Decision Making (COVID)*	Oct 20	SM (L&P)	Reasonable	7	0	0	7			
Recruitment *	Jan 21	SM (HR)	Reasonable	2	0	0	2			
Disabled Facilities Grants	Jan 21	SM (HO)	Reasonable	2	0	1	1			
Housing Finance Management – Tenancies	Feb 21	SM (HO)	Reasonable	7	0	2	3		2	
Information Governance (FOI & SAR)	Feb 21	SM (L&P)	Reasonable	5	0	5	0			
Total								9	18	4

* Denotes audits where all actions have been completed since the last progress report

Audit Sponsor		Audit Sponsor	
Service Manager (Elections & Business Improvement)	SM (E&BI)	Service Manager (Housing Maintenance - Operations)	SM (HMO)
Head of Finance	HoF	Service Manager (Housing Maintenance – Asset and Compliance)	SM (HMAC)
Service Manager (Estates & Valuation)	SM (E&V)	Service Manager (Environmental & Regulation)	SM (E&R)
Service Manager (Human Resources)	SM (HR)	Service Manager (Health & Leisure)	SM (H&L)
Service Manager (Legal & Procurement)	SM (L&P)	Service Manager (Waste & Transport)	SM (W&T)
Service Manager (Democratic Services & Member Support)	SM (DS&MS)	Service Manager (Coastal & Public Facilities)	SM (C&PF)
Service Manager (Estate Management & Support)	SM (EM&S)	Service Manager (Open Spaces)	SM (OS)
Service Manager (Revenues & Benefits)	SM (R&B)	Service Manager (Planning Management Development)	SM (PMD)
Service Manager (ICT)	SM (ICT)	Service Manager (StreetScene)	SM (S)
Service Manager (Housing Options)	SM (HO)	Service Manager (Estates, Valuation & Investment Property)	SM (EV&IP)
Chief Planning Officer	CPO		

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been no ‘Limited’ or ‘No’ assurance opinion reports issued during 2020-21.

6. Planning & Resourcing

The Internal Audit Plan for 2020-21 was discussed by EMT and circulated to the Audit Committee in March 2020. The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2019-20								
Housing Asset Management (Planned Maintenance)	SM (HMAC)	✓	✓	✓	May 20	Jul 20	Adequate	2019-20 Opinion
Licensing	SM (E&R)	✓	✓	✓	Jun 20	Jul 20	Substantial	2019-20 Opinion
2020-21								
Corporate / Governance Framework								
Corporate Plan / Performance Management	SM (E&BI)	✓	✓	✓	Sep 20	Oct 20	n/a	Advisory role on the developing framework.
Information Governance (FOI & SAR)	SM (L&P)	✓	✓	✓	Feb 21	Feb 21	Reasonable	
Procurement	SM (L&P)	✓	✓	✓				
Contract Management	SM (L&P)	✓	✓	✓				
Fraud Governance	SM (R&B)	✓	✓	✓	Aug 20	Sep 20	Substantial	
Fraud Training – P-Cards	SM (R&B)	✓	n/a	✓	n/a	n/a	n/a	
Health and Safety (COVID)	SM (E&R)	✓	✓	✓	Oct 20			
Governance – Decision Making (COVID)	SM (L&P)	✓	✓	✓	Oct 20	Oct 20	Reasonable	

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Human Resources								
Recruitment	SM (HR)	✓	✓	✓	Dec 20	Jan 21	Reasonable	
Travel, Expenses and Overtime	SM (HR)	✓	✓	✓				
Payroll Increments	SM (HR)	✓	✓	✓	Mar 21			
Core Financial Systems								
Council Tax	SM (R&B)	✓	✓	✓	Feb 21	Mar 21	Substantial	
NNDR	SM (R&B)	✓	✓	✓	Mar 21			
Accounts Payable	SM (R&B)	✓	✓	✓				
Accounts Receivable and Debt Management	SM (R&B)	✓	✓	✓				
Main Accounting and Reconciliations	SM (R&B)	✓	✓	✓				
Income Collection and Banking	SM (R&B)	✓	✓	✓				
Busines Grants (COVID)	SM (R&B)	✓	✓	✓	Aug 20	Sep 20	Substantial	
Information Technology								
Northgate Application Review	SM (ICT)	✓	✓	✓	Mar 21			
Cyber Security	SM (ICT)	✓	✓	✓				
PCI DSS Advice	SM (ICT)	n/a	n/a	✓	n/a	n/a	n/a	Advisory role
IT Disaster Recovery and Business Continuity Planning Advice	SM (ICT)	n/a	n/a	✓	n/a	n/a	n/a	Advisory role
Portfolio Themes								
Housing Rents	SM (HO)	✓	✓	✓				
Housing Asset Management – Supply Chain Arrangements	SM (HMAC)	✓	✓	✓				
Housing Finance Management – Tenancies	SM (HO)	✓	✓	✓	Jan 21	Feb 21	Reasonable	
HMO Licencing	SM (HO)	✓	✓	✓	Oct 20	Nov 20	Substantial	

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Gas Inspections	SM (HMAC)	✓	✓	✓	Oct 20	Oct 20	Substantial	
Disabled Facilities Grants	SM (HO)	✓	✓	✓	Dec 20	Jan 21	Reasonable	
Development Management	CPO	✓	✓					
Health and Leisure	SM (H&L)	✓						
Fleet Management (Follow-up Audit)	SM (W&T)	✓						
Coastal Management and Protection	SM (C&PF)	✓	✓	✓				
LG Income Compensation Scheme	HoF	n/a	n/a	✓	n/a	n/a	n/a	Certification work in phases.

Annex 1 - Adjustments to the plan

Audit reviews added to the plan (included in rolling work programme above)	
Health and Safety (COVID) *	To review the Council's Health & Safety response to COVID-19 in relation to staff and premises.
Governance – Decision Making (COVID) *	To review the implementation and use of revised governance arrangements brought in as a result of COVID-19.
Business Grants (COVID) *	To review the arrangements for awarding Business Grants to support local businesses through the pandemic.
Gas Inspections *	To review the Council's compliance with statutory obligations as a social landlord during COVID-19.
Cyber Security *	To review user training and website protection, providing the missing third level assurance highlighted in the 19/20 Cyber Security Assurance Mapping report.
Fraud Awareness Training *	To provide training to Council staff in mitigating the risks of fraud with Procurement Card (PCard) usage).
LG Income Compensation Scheme *	Review the appropriateness of 3 claims for the Local Government Income Compensation Scheme for lost sales, fees and charges.
HR – Payroll Increments **	To review the processes for identifying and applying annual increments to staff salaries.

Agreed October 2020 * Agreed January 2021 **

Audit reviews removed from the plan (excluded from rolling work programme)	
Programme & Project Management *	Defer review. Development and implementation of a programme and project management framework during 20/21 has been delayed due to responding to COVID-19.
HR – Performance Management *	Performance management module has been implemented during 20/21 with completion of performance appraisals required by 31.03.21 therefore defer to 21/22 to assess full year cycle and utilise audit days to offset plan additions into 20/21.
Housing IT Application Review *	Defer review in order to assess Cyber Security which is of higher risk.
Commercial Activities *	Defer review. Planned developments have been delayed by six months due to COVID-19 therefore review planned activity in 21/22.
Financial Stability **	Defer review to 21/22. The 20/21 emergency budget and updated MTFs have been developed by the COVID-19 Recovery – Finance and Resources Task and Finish Group and presented to Council. The planned rollout of new budget management processes have been delayed.
Environmental Services **	Defer the review in order to align the audit with the implementation of the new Waste Strategy which is expected to be approved by the Spring of 2021.

Business Continuity and Emergency Planning **	Defer review to 21/22 as the actions being taken to improve and document the arrangements has been delayed.
IT Infrastructure Management **	It is planned to have all new infrastructure in place by 31.03.21 therefore defer review to 21/22 and combine with a review of IT disaster recovery once implemented.
Environmental Management / Climate Change (Green Agenda)**	Defer review. Development of the Council's Green Agenda/strategy has not progressed within the originally intended timescales due to reprioritisation of activities in responding to the pandemic.
Risk Management **	The development of new risk registers aligned to the Corporate Plan – Community Matters 2020-2024; the revised risk management framework; and member training has slipped therefore defer the review to 21/22 to enable the framework to become embedded.
Grounds / Tree Maintenance / Open Spaces **	Defer review. It is too early to assess progress against achieving the new Tree Strategy 2020-2025. Consideration was then given to covering the processes and methodologies for assessing developer obligations to open spaces, however on further assessment these were found to be mid review by the Council.
Alternative Delivery Methods / Partnership Working **	Defer the review of the Community Safety Partnership due to resource pressures within the team - the team are undertaking the annual strategic assessment and creation of the annual strategic Partnership plan which requires its completion for the end of March with commencement in April. In addition they are providing all the Councils statutory safeguarding training for all services; assisting with the management of the Covid Ambassadors; undertaking community food shopping for vulnerable persons and providing cover for control room duties.
Regeneration / Economic Development ***	Defer the review. The existing strategy is out of date and it is currently planned to update /refocus the strategy in the Autumn at the earliest as the responsible officer is working full time on the administration of the Additional Restrictions Grant (ARG).

Agreed October 2020*. Agreed January 2021 **

Proposed March 2021 ***

Annex 2 - Assurance opinions and definitions used by SIAP prior to adoption of the CIPFA standard definitions

Substantial	A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk
No	Fundamental weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives.

AUDIT COMMITTEE – 26 MARCH 2021

INTERNAL AUDIT CHARTER 2021-22

1. INTRODUCTION

- 1.1. The purpose of this paper is to provide the Audit Committee with the Internal Audit Charter for 2021-22.
- 1.2. The Internal Audit Charter formally defines the internal audit activity's purpose, authority and responsibility in line with the Public Sector Internal Auditing Standards [the Standards].

2. SUMMARY

- 2.1. With effect from 1 April 2013 internal audit services across the public sector have been governed by the Public Sector Internal Audit Standards (the Standards – updated 2017).
- 2.2. Within the Standards there is a requirement for an Internal Audit Charter - a formal document that defines the purpose, authority and responsibility of the internal audit activity. The proposed charter is attached as Appendix A.
- 2.3. The Internal Audit Charter must be reviewed periodically (as a minimum annually) by the Chief Internal Auditor and presented to 'Senior Management' and 'the Board'. The Board is defined as

'the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. At the Council this shall mean the Audit Committee'.

3. FINANCIAL IMPLICATIONS

- 3.1. The audit plan consists of 470 audit days including 18 audit days provided to the New Forest National Park Authority under the current Service Level Agreement. The Council's budget for 2021-22 reflects these arrangements.

4. CRIME AND DISORDER IMPLICATIONS

- 4.1. There are no crime and disorder implications arising directly from this report, however inadequate audit coverage may result in areas of control weakness, unacceptable risks or governance failings as well as the increased potential for error and fraud.
- 4.2. The Council employs a Corporate Fraud Officer who is responsible for providing both reactive fraud and irregularity investigations and proactive fraud work. As the Internal Audit provider, the Southern Internal Audit Partnership (SIAP) will monitor the outcomes of this work and will review the governance arrangements to prevent, detect and investigate fraud and irregularities on a cyclical basis.

5. ENVIRONMENTAL MATTERS & EQUALITY AND DIVERSITY IMPLICATIONS

5.1. There are no matters arising directly from this report.

6. RECOMMENDATION

6.1. It is recommended the Audit Committee approve the Internal Audit Charter 2021-22, attached as Appendix A.

For Further Information Please Contact:

Antony Harvey
Deputy Head of Partnership (SIAP)
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E-mail: antony.harvey@hants.gov.uk

Background Papers:

None

Internal Audit Charter 2021-22

Introduction

The Public Sector Internal Audit Standards (the Standards) provide a consolidated approach to audit standards across the whole of the public sector providing continuity, sound corporate governance and transparency.

The Standards form part of the wider mandatory elements of the International Professional Practices Framework (IPPF) which also includes the mission; core principles; definition of internal audit; and Code of Ethics.

The Standards require all internal audit activities to implement and retain an 'Internal Audit Charter'. The purpose of the Internal Audit Charter is to formally define the internal audit activity's purpose, authority and responsibility.

Mission and Core Principles

The IPPF 'Mission' aims *'to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.'*

The 'Core Principles' underpin delivery of the IPPF mission:

- Demonstrates integrity;
- Demonstrates competence and due professional care;
- Is objective and free from undue influence (independent);
- Aligns with the strategies, objectives and risks of the organisation;
- Is appropriately positioned and adequately resourced;
- Demonstrates quality and continuous improvement;
- Communicates effectively;
- Provides risk-based assurance;
- Is insightful, proactive, and future-focused; and
- Promotes organisational improvement.

Authority

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

'undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'.

The standards for 'proper practices' in relation to internal audit are laid down in the Public Sector Internal Audit Standards (updated 2017).

Purpose

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

This is achieved through internal audit providing 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.

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 organisations 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'.

Responsibility

The responsibility for maintaining an adequate and effective system of internal audit within New Forest District Council lies with the Head of Finance as the authority's Chief Finance Officer (S151 Officer).

For the Council, internal audit is provided by the Southern Internal Audit Partnership (SIAP).

The Chief Internal Auditor - Deputy Head of Partnership (SIAP) is responsible for effectively managing the internal audit activity in accordance with the *'Mission', 'Core Principles', 'Definition of Internal Auditing', the 'Code of Ethics' and 'the Standards'*.

Definitions

For the purposes of this charter the following definitions shall apply:

The Board – the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. At the Council this shall mean the Audit Committee.

Senior Management – those responsible for the leadership and direction of the Council. At the Council this shall mean the Executive Management Team.

Position in the organisation

The Chief Internal Auditor reports functionally to the Board, and organisationally to the Head of Finance who has statutory responsibility as proper officer under Section 151 of the Local Government Act 1972, for ensuring an effective system of internal financial control and proper financial administration of the Council's affairs.

The Chief Internal Auditor has direct access to the Chief Executive who carries the responsibility for the proper management of the Council and for ensuring that the principles of good governance are reflected in sound management arrangements.

The Chief Internal Auditor has direct access to the Council's Monitoring Officer where matters arise relating to Chief Executive responsibility, legality and standards.

Where it is considered necessary to the proper discharge of the internal audit function, the Chief Internal Auditor has direct access to elected Members of the Council and in particular those who serve on committees charged with governance (i.e. the Audit Committee).

Internal audit resources

The Chief Internal Auditor will be professionally qualified (Chartered Member of the Institute of Internal Auditors - CMIIA, Consultative Committee of Accountancy Bodies - CCAB or equivalent) and have wide internal audit and management experience, reflecting the responsibilities that arise from the need to liaise internally and externally with Members, senior management and other professionals.

The Head of Finance will provide the Chief Internal Auditor with the resources necessary to fulfil the Council's requirements and expectations as to the robustness and scope of the internal audit opinion.

The Chief Internal Auditor will ensure that the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the audit strategy and operational audit plan.

The annual operational plan will identify the resources required to complete the work, thereby highlighting sufficiency of available resources. The Chief Internal Auditor can propose an increase in audit resource or a reduction in the number of audits if there are insufficient resources.

'Senior Management' and *'the Board'* will be advised where, for whatever reason, internal audit is unable to provide assurance on any significant risks within the timescale envisaged by the risk assessment process.

The annual operational plan will be submitted to *'Senior Management'* and *'the Board'*, for approval. The Chief Internal Auditor will be responsible for delivery of the plan. The plan will be kept under review to ensure it remains responsive to the changing priorities and risks of the Council.

Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to *'Senior Management'* and *'the Board'*.

If the Chief Internal Auditor, *'the Board'* or *'Senior Management'* consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Standards is prejudiced, they will advise the Head of Finance accordingly.

Independence and objectivity

Internal auditors must be sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice.

Internal auditors must maintain an unbiased attitude that allows them to perform their engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgement on audit matters to others.

To achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities, arrangements are in place to ensure the internal audit activity:

- retains no executive or operational responsibilities;
- operates in a framework that allows unrestricted access to *'Senior Management'* and *'the Board'*;
- reports functionally to *'the Board'*;
- reports in their own name;
- rotates responsibilities for audit assignments within the internal audit team;
- completes individual declarations confirming compliance with rules on independence, conflicts of interest and acceptance of inducements; and
- ensures the planning process recognise and address potential conflicts of interest through internal audit staff not undertaking an audit for at least two years in an area where they have had previous operational roles.

If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to *'Senior Management'* and *'the Board'*. The nature of the disclosure will depend upon the impairment.

Due professional care

Internal auditors will perform work with due professional care, competence and diligence. Internal auditors cannot be expected to identify every control weakness or irregularity but their work should be designed to enable them to provide reasonable assurance regarding the controls examined within the scope of their review.

Internal auditors will have a continuing duty to develop and maintain their professional skills, knowledge and judgement based on appropriate training, ability, integrity, objectivity and respect.

Internal auditors will apprise themselves of the *'Mission'*, *'Core Principles'*, *'Definition of Internal Auditing'*, the *'Code of Ethics'* and the *'Standards'* and will work in accordance with them in the conduct of their duties.

Internal auditors will be alert to the possibility of intentional wrongdoing, errors and omissions, poor value for money, failure to comply with management policy and conflicts of interest. They will ensure that any suspicions of fraud, corruption or improper conduct are promptly reported to the Chief Internal Auditor who will inform relevant officers in accordance with the Council's laid down procedures.

Internal auditors will treat the information they receive in carrying out their duties as confidential. There will be no unauthorised disclosure of information unless there is a legal or professional requirement to do so. Confidential information gained in the course of internal audit work will not be used to effect personal gain.

Access to relevant personnel and records

In carrying out their duties, internal audit (on production of identification) shall have unrestricted right of access to all records, assets, personnel and premises, belonging to the Council or its key delivery partner organisations.

Internal audit has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities. Such access shall be granted on demand and not subject to prior notice.

Scope of Internal Audit activities

The Chief Internal Auditor is responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform its governance statement. The annual opinion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The Council assume a Key Stakeholder role within the Southern Internal Audit Partnership (SIAP). The SIAP currently provides internal audit services to a wide portfolio of public sector clients (Annex 1) through a variety of partnership and sold service delivery models.

A range of internal audit services are provided (Annex 2) to form the annual opinion for each member / client of the Southern Internal Audit Partnership. The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

In accordance with the annual audit plan, auditors will plan and evaluate their work so as to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls.

The Council employs a Corporate Fraud Officer who is responsible for providing both reactive fraud and irregularity investigations and proactive fraud work, including participation in the National Fraud Initiative (NFI) in which data from the Council's main systems are matched with data supplied from other Local Authorities and external agencies to detect potential fraudulent activity. The Corporate Fraud Officer will inform SIAP of the outcomes of all reactive fraud and irregularity investigations and proactive fraud work on a regular basis. SIAP will monitor the outcomes of this work and will review the governance arrangements to prevent, detect and investigate fraud and irregularities on a cyclical basis.

Reporting

Chief Internal Auditor's Annual Report and Opinion

The Chief Internal Auditor shall deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit report and opinion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report will incorporate as a minimum:

- The opinion;
- A summary of the work that supports the opinion; and
- A statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

Senior Management

As those responsible for the leadership and direction of the Council it is imperative that the Executive Management Team are engaged in:

- approving the internal audit charter (minimum annually);
- approving the risk based internal audit plan;
- receiving communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope and resource limitations; and
- receiving the results of internal and external assessments of the quality assurance and improvement programme, including areas of non-conformance

The Board

Organisational independence is effectively achieved when the Chief Internal Auditor reports functionally to the Board. Such reporting will include:

- approving the internal audit charter;
- approving the risk based internal audit plan;
- approving the internal audit resource plan;
- receiving communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters, including the annual report and opinion;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope or resource limitations;
- agreement of the scope and form of the external assessment as part of the quality management and improvement plan;
- receiving the results of internal and external assessments of the quality assurance and improvement programme, including areas of non-conformance; and
- approval of significant consulting services not already included in the audit plan, prior to acceptance of the engagement.

Review of the internal audit charter

This charter will be reviewed annually (minimum) by the Chief Internal Auditor and presented to '*Senior Management*' and '*the Board*' for approval.

Southern Internal Audit Partnership – Client Portfolio

Strategic Partner:	Hampshire County Council
Key Stakeholder Partners:	West Sussex County Council Havant Borough Council East Hampshire District Council Winchester City Council New Forest District Council Mole Valley District Council Epsom and Ewell Borough Council Reigate and Banstead Borough Council Tandridge District Council Hampshire Fire & Rescue Authority Office of the Hampshire Police & Crime Commissioner / Hampshire Constabulary Office of the Sussex Police & Crime Commissioner / Sussex Police Force Office of the Surrey Police & Crime Commissioner / Surrey Police Force
External clients:	Waverley Borough Council Hampshire Pension Fund West Sussex Pension Fund New Forest National Park Authority Lymington & Pennington Town Council Ringwood Town Council
	Further Education Institutions Eastleigh; Highbury; Isle of Wight College; and Portsmouth.

Assurance Services

- **Risk based audit:** in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.
- **Developing systems audit:** in which:
 - the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management; and
 - programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.
- **Compliance audit:** in which a limited review, covering only the operation of controls in place to fulfil statutory, good practice or policy compliance obligations are assessed.
- **Quality assurance review:** in which the approach and competency of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.
- **Fraud and irregularity investigations:** Internal audit may also provide specialist skills and knowledge to assist in or lead fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes. Internal audit's role in this respect is outlined in the Council's Anti-Fraud, Bribery and Corruption Strategy.
- **Advisory / Consultancy services:** in which advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance. It should be noted that it would not be appropriate for an auditor to become involved in establishing or implementing controls or to assume any operational responsibilities and that any advisory work undertaken must not prejudice the scope, objectivity and quality of future audit work.

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AUDIT COMMITTEE – 26 MARCH 2021

INTERNAL AUDIT PLAN 2021-22

1. INTRODUCTION

- 1.1 The purpose of this paper is to provide the Audit Committee with the Internal Audit Plan 2021-22, including an indicative plan for 2022-23 to 2023-24, for New Forest District Council, attached as Appendix A.
- 1.2 The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities, systems or processes under review that:
 - The framework of internal control, risk management and governance is appropriate and operating effectively; and
 - Risks to the achievement of the Council's objectives are identified, assessed and managed to a defined acceptable level.

2. SUMMARY

- 2.1 The Internal Audit Plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.
- 2.2 To ensure the Internal Audit Plan is aligned to the needs of the Council, the plan has been developed following consultation with the Executive Management Team and a review of key documents including the Corporate Plan & Strategic Risk Registers.
- 2.3 The Internal Audit Plan will remain fluid and subject to on-going review, and amended in consultation with the relevant officers, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Chief Internal Auditor's continued contact and liaison with the Executive Management Team and the Audit Committee.
- 2.4 The Council's 'Internal Audit Charter' ensures the Chief Internal Auditor has sufficient resource necessary to fulfil the requirements and expectations to deliver an internal audit opinion. Significant matters that jeopardise the delivery of the plan, or require changes to the plan will be identified, addressed and reported to the Executive Management Team.

3. FINANCIAL IMPLICATIONS

- 3.1 The audit plan consists of 470 audit days including 18 audit days provided to the New Forest National Park Authority under the current Service Level Agreement. The Council's budget for 2021-22 reflects these arrangements.

4. CRIME AND DISORDER IMPLICATIONS

- 4.1. There are no crime and disorder implications arising directly from this report, however inadequate audit coverage may result in areas of control weakness, unacceptable risks or governance failings as well as the increased potential for error and fraud.
- 4.2. The Council employs a Corporate Fraud Officer who is responsible for providing both reactive fraud and irregularity investigations and proactive fraud work. As the Internal Audit provider, the Southern Internal Audit Partnership (SIAP) will monitor the outcomes of this work and will review the governance arrangements to prevent, detect and investigate fraud and irregularities on a cyclical basis.

5. ENVIRONMENTAL MATTERS & EQUALITY AND DIVERSITY IMPLICATIONS

- 5.1 There are no matters arising directly from this report.

6. RECOMMENDATION

- 6.1 It is recommended the Audit Committee approve the Internal Audit Plan 2021-22, attached as Appendix A.

For Further Information Please Contact:

Antony Harvey
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Background Papers:

None

Internal Audit Plan 2021-22 – 2023-24

New Forest District Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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Introduction

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

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

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

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 organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

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

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

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements. Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant Strategic Directors and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan

will be identified through the Southern Internal Audit Partnership's continued contact and liaison with those responsible for the governance of the Council.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Antony Harvey, Deputy Head of the Southern Internal Audit Partnership, supported Liz Foster, Audit Manager.

Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2020 the Institute of Internal Auditors (IIA) completed an external quality assessment of the Southern Internal Audit Partnership. The report concluded:

'The mandatory elements of the International Professional Practices Framework (IPPF) include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles.

It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.

We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN).

We are pleased to report that SIAP conform with all relevant, associated elements.'

Conflicts of Interest

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

Council Vision, Priorities and Values

The 'Corporate Plan – Community Matters' outlines New Forest District Council's vision, priorities and values over the period 2020 – 2024.

The Council's vision is 'To secure a vibrant and prosperous New Forest, guided by the people we serve and working in partnership with others to enhance the quality of lives for all by:

- Understanding local needs and creating a balanced, healthy community who feel safe, supported and have access to services;
- Protecting the special character of the New Forest and responding pro-actively to environmental changes; and
- Working with others to maintain a vibrant local economy that brings opportunities to the area'.

The Corporate Plan is made up of eight portfolio areas, each with their own priorities, achievement indicators and specific actions for the forthcoming year. The portfolio areas are:

- CP1 - Leader and Corporate Affairs - 'Delivering a prosperous New Forest and putting our community first'
- CP2 - Planning and Infrastructure - 'Encouraging development that meets local needs and enhances the special qualities of the environment'
- CP3 – Housing Services - 'Creating balanced communities and housing options that are affordable and sustainable'
- CP4 - Community Affairs - 'Keeping our communities safe and listening to their needs'
- CP5 - Finance, Investment and Corporate Services - 'Enabling service provision and ensuring value for money for the council tax payer'
- CP6 – Leisure and Wellbeing - 'Improving the health and wellbeing of our community'
- CP7 - Environment and Regulatory Services - 'Working to tackle climate change and enhancing our special environment'
- CP8 – Economic Development - 'Helping local businesses to grow and prosper'.

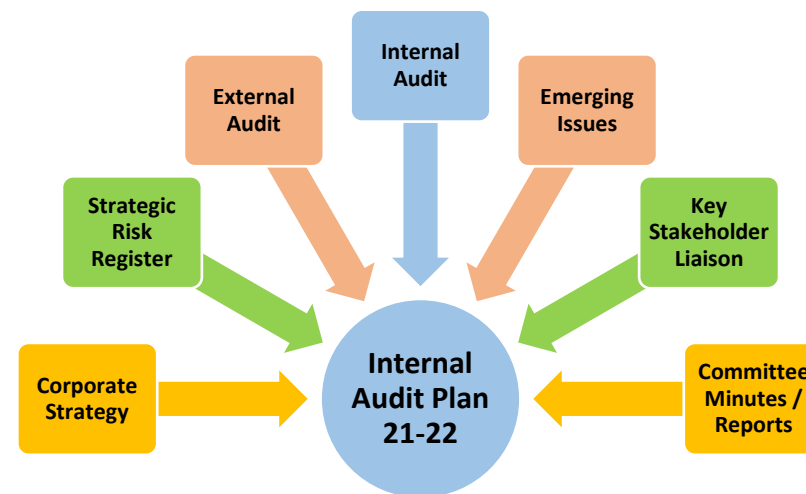
Council Risk

The strategic risks assessed by the Council are a key focus of our planning for the year to ensure it meets the organisation's assurance needs and contributes to the achievement of their objectives. We will continue to monitor the Strategic and Service Risk Registers over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Developing the internal audit plan

The audit plan has been developed having regard to the Council's 'Vision, Priorities and Values', the Council's risk management framework and areas of Corporate/National significance such as Climate Change. Based on our review of key corporate documents and our understanding of the organisation SIAP have developed an audit plan for the coming year (2021-22) which includes a projected high-level strategic plan for 2022-23 to 2023-24.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation. We will however continue to work closely with other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance is obtained.



Internal Audit Plan 2021-24

Audit	Indicative scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Corporate Plan / Performance Management	Assurance over delivery of the Corporate Plan; underpinning strategies & plans; performance monitoring & reporting frameworks.	All	20-21	✓	-	-
Energy Management / Climate Emergency / Green Agenda	Assurance over the Council's response to the Climate Emergency/Green Agenda including strategies, performance monitoring & reporting arrangements.	CP7	-	✓	-	✓
Corporate Governance Framework	Assurance over the corporate governance framework including the Annual Governance Statement, ethical governance, codes of conduct, complaints, compliments.	All	20-21	-	✓	-
COVID-19 Response	Provision for audit review(s) in direct response to the pandemic / as a result of changes to operating models enforced or enabled by remote working.	All	20-21	✓	-	-
Programme & Project Management	Review of the programme and project management framework and/or compliance to the framework in relation to live / ongoing projects.	CP3	18-19	✓	-	✓
Financial Stability	Assurance over risks relating to the financial stability of the Council. Coverage over the audit cycle to include: <ul style="list-style-type: none"> • Medium Term Financial Strategy • Budget planning/setting • Budget monitoring. 2021-22 focus on budget management/monitoring.	All	19-20	✓	✓	✓

Audit	Indicative scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Commercial Activities	Effectiveness of income generation / maximisation (rental income and leases, optimal use of subsidies, fees and charges). Review of relevant strategies.	CP5	19-20	-	✓	-
Alternative Delivery Methods / Partnership Working	Assurance over governance framework and/or focus on specific arrangements including rights of access, third party assurance, contingency arrangements, exit strategies, hosting arrangements (accountabilities), benefits realisation, performance.	CP4	18-19	✓	-	✓
Asset Management (Corporate Estate)	Assurance over effectiveness and delivery of the Asset Management Plan including planned and reactive repairs and maintenance to non-housing assets.	CP5	19-20	-	✓	-
Information Governance	Assurance over the audit cycle on information governance arrangements including GDPR, DPA, FOI, Transparency etc.	CP5	20-21	-	✓	✓
Procurement	Assurance over compliance with contract procedure rules and legislative requirements.	CP3	20-21	-	✓	-
Contract Management	Review of contract management arrangements and / or compliance across a selection of 'key contracts'.	CP3	20-21	-	✓	-
Fraud Framework	Cyclical assurance there are effective arrangements to prevent, detect and investigate fraud and irregularities. Annual provision to monitor the outcomes from proactive / reactive fraud work undertaken directly by the Council.	CP5	20-21	✓	✓	✓
Health & Safety	Assurance there is an appropriate H&S strategy in place with effective governance, accountability and issue resolution.	All	20-21	-	✓	-

Audit	Indicative scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Business Continuity & Emergency Planning	Assurance over plans to recover services after a major incident / planning for extreme events.	All	-	✓	-	-
Risk Management	Assurance over the risk management framework including governance, transparency and maturity.	All	18-19	✓	-	✓
HR	Coverage over a three-year cycle to include: - <ul style="list-style-type: none"> • Workforce strategy & planning • Training & development • Recruitment • Performance management • Wellbeing & absence management • Use of agency staff/volunteers. 	All	20-21	✓	✓	✓
Housing Benefits	Cyclical coverage of core systems to meet legislative requirements.	CP3, CP5	18-19	✓	-	-
Council Tax		CP5	20-21	-	-	✓
NNDR		CP5	20-21	-	✓	-
Universal Credits		-	-	✓	-	-
Accounts Payable		CP5	20-21	-	-	✓
Accounts Receivable and Debt Management		CP5	20-21	-	✓	-
Main Accounting and Reconciliations		CP5	20-21	-	✓	-
Payroll		CP5	20-21	✓	-	✓

Audit	Indicative scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Income Collection and Banking		CP5	20-21	-	-	✓
Treasury Management		CP5	18-19	✓	-	-
Financial Systems – follow-up	Provision for audit follow-up of any actions arising from the 20-21 financial system reviews.	CP5	-	✓	-	-
Grant Certifications	Certification audit(s) as required including COVID -19 related grants / Income compensation scheme.	CP5	20-21	✓	✓	✓
IT Governance	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> IT Strategy and Planning IT Asset Management Change Management Software Licencing Incident and Problem Management Service Desk. 	CP5	19-20	-	✓	-
Data Management	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> Data Storage and data backup Data Centre Facilities and Data Security Capacity Planning and Monitoring Data Classification & Ownership Data Quality <p>21-22 focus on methodology used to migrate data from Meridio to SharePoint.</p>	CP5	-	✓	-	✓

Audit	Indicative scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Information Security	<p>Coverage over the audit cycle to consider: -</p> <ul style="list-style-type: none"> • Cyber Security • Cloud • Remote Access • Public Facing Internet Security • IT Security Policy <p>21-22 focus on Website Phase 2 - to provide assurance over the linking of back end applications to the new website.</p>	CP5	20-21	✓	-	✓
Systems Development and Implementation	<p>Coverage over the audit cycle to consider:</p> <ul style="list-style-type: none"> • Application Reviews • Programme & Project Management. 	CP5	20-21	-	-	✓
IT Disaster Recovery Planning & Business Continuity	<p>Coverage over the audit cycle to consider:</p> <ul style="list-style-type: none"> • IT Business Continuity Planning • Disaster Recovery Planning (DRP) • System Resilience <p>21-22 focus on new infrastructure and associated DRP.</p>	CP5	18-19	✓	-	-
Networking and Communications	<p>Coverage over the audit cycle to consider:</p> <ul style="list-style-type: none"> • Firewalls & Malware protection • Network Security and Access Control • Network Infrastructure Management & Monitoring • Virtualisation • Operating System / Patch Management • Secure Emails • Telecommunications. 	CP5	-	-	✓	-

Audit	Indicative scope	Corporate Priority	Last Audited	21-22	22-23	23-24
PCI DSS Advice	Provision for advice and support for PCI DSS compliance.	CP5	20-21	✓	-	-
Housing Rents	Coverage to include rent setting, income collection and debt management.	CP3	20-21	-	-	✓
Homelessness and Housing Management	Assurance that there is effective control to deliver strategic objectives and legislative requirements. Coverage over a three year cycle to include:- <ul style="list-style-type: none"> • Housing allocations • Homelessness obligations • Affordable housing • Shared ownership • Right to buy. 	CP3	20-21	✓	✓	✓
Housing Asset Management	Coverage over the audit cycle to provide assurances over process and delivery of repairs & maintenance, voids, Decent Homes Standards in line with agreed strategies.	CP3	20-21	-	✓	-
HMOs / Housing Enforcement	Assurances over the registration of HMOs, inspection and enforcement of housing legislation and delivery of associated strategies.	CP3	20-21	-	-	✓
Disabled Facilities Grants	Administration and compliance with local / legislative requirements.	CP3	20-21	-	-	✓
Land Registry and Land Charges	Assurance over processes to maintain and update the register and respond to search requests promptly, in line with legislative requirements.	CP7	19-20	-	✓	-

Audit	Indicative scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Planning / Development Management	Assurance over areas such as planning process, Community Infrastructure Levy, S106 agreements / developer obligations.	CP2	20-21	-	✓	-
Building Control	Review of policy and processes in line with legislative requirements	CP2	18-19	✓	-	-
Regeneration / Economic Development	Review of strategic approach to achieve economic development and / or regeneration including performance measures and reporting outcomes.	CP1, CP8	-	✓	-	-
Health and Leisure	Assurance over the delivery of the intended outcomes of the Health and Wellbeing Strategy and the Health and Leisure Services review.	CP6	20-21	✓	-	-
Grounds / Tree Maintenance / Open Spaces	Assurance over the maintenance and management of open spaces / Tree Maintenance and management including Ash Die Back.	CP7	-	✓	-	✓
Coastal Management and Protection	Assurance over Coastal Management in line with associated plans and partnership working with local and national bodies/agencies.	CP7	20-21	-	-	✓
Fleet Management	Administration, procurement and maintenance of the Council's vehicle fleet. Follow up of 2019-20 review of the service.	CP7	19-20	✓	-	-
Environmental Services	To review refuse collection, recycling and street cleansing and the implementation of the waste strategy.	CP7	18-19	✓	-	✓
Environmental Health	Assurance over the Council's legal obligations for Environmental Health.	CP7	19-20	-	-	✓

Audit	Indicative scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Licensing	Assurances over safeguarding, income collection, application process and monitoring.	CP7	19-20	-	✓	-
Parking & Enforcement	Income / reconciliations, to include administration of FPN's.	CP7	19-20	-	✓	-
National Park Authority	Provision of audit days to fulfil the Council's SLA with the NPA.	-	n/a	✓	✓	✓
Management	Provision for audit planning, reporting, Audit Committee, monitoring, liaison, follow-up and advice.	-	n/a	✓	✓	✓
Total days						470

Agenda Item 8

Audit Committee Work Plan 2021/22

DATE	WORK / REPORTS
28 - May 2021	(Date to be amended?) Treasury Management Out-turn Report 2021 Local Code of Good Governance Review Draft Annual Governance Statement 2021 Draft Annual Financial Report 2021 Final Accounts Bad Debts Write-off Procurement Waivers 2020/21 Fraud Report 2020/21 Internal Audit Report and Opinion Report 2020/21
30 July 2021	Internal Audit Report
29 Oct 2021	Audit Results Report 2021 Final Annual Governance Statement 2021 Final Annual Financial Report 2021 Internal Audit Progress Report 2021/22 Internal Audit External Quality Assessment 2021 Treasury Management Monitoring Report 2022
28 Jan 2022	Annual Audit Letter for Year Ended 31 March 201 Internal Audit Progress Report 2021/22 Treasury Management Strategy Report 2022/23 Investment Strategy 2022/23 Strategic Risk Register Regulation of Investigatory Powers Act 2000 (RIPA)
25 March 2022	Internal Audit Progress Report 2021/22 Internal Audit Charter 2022/23 Internal Audit Plan 2022/23 Annual Financial Report and External Audit Cycle 2021/22 and 2022/23

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