

**Internal Audit Plan**

**2019-20**

**New Forest District Council**



# **Southern Internal Audit Partnership**

Assurance through excellence  
and innovation

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## Introduction

The role of internal audit is that of an:

*‘Independent, objective assurance and consulting activity designed to add value and improve an 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 stakeholders, 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 the Executive Management Team and the Audit Committee.

## Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership (SIAP). The team will be led by Antony Harvey, Deputy Head of Partnership, supported by Amanda Chalmers, 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 2015 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

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

*'It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to **all** of these principles. **This performance is within the top decile of EQA reviews we have performed.** This is a notable achievement given the breadth of these Standards and the operational environment faced by SIAP.'*

*There are **no instances** across these standards where we determined a standard below "generally conforms", and 4 instances where the standard is assessed as "not applicable" due to the nature of SIAP's remit.'*

## Conflicts of Interest

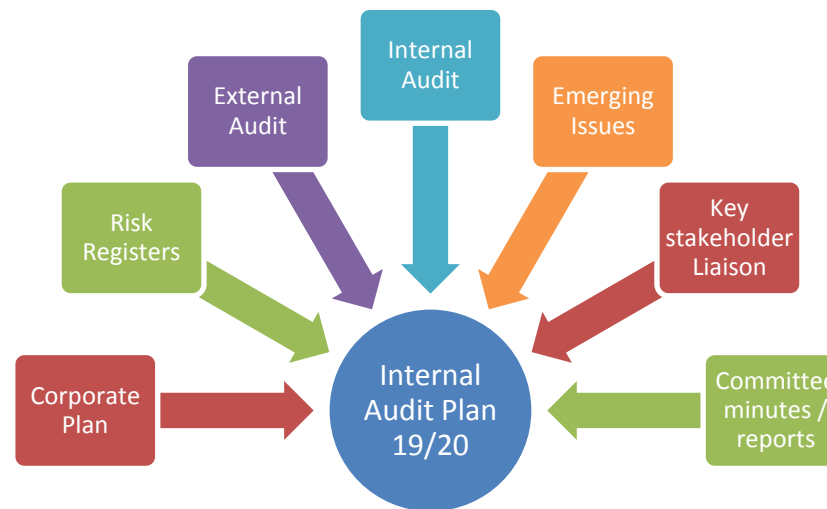
We are not aware of any relationships that may affect the independence and objectivity of the team, which are required to be disclosed under internal auditing standards.

## Developing the internal audit plan 2019/20

The audit plan has been developed having regard to the Council's 'Vision, Priorities and Values' and the Council's risk management framework. Based on our review of key corporate documents and our understanding of the organisation SIAP have developed an audit plan for the coming year (2019/20) which includes a projected high level strategic plan (2019 – 2022).

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.



## Council Vision, Priorities and Values

The 'Corporate Plan' outlines New Forest District Council's vision, priorities and values over the period 2016 – 2020.

### Vision:

To secure a better future for the New Forest by:

- Supporting local businesses to prosper for the benefit of the community
- Assisting the wellbeing of those people who live and work within the district
- Protecting the special and unique character of the New Forest

### Priorities:













### Values:





We will be **ambitious** in our desire to work for and with our local communities. We are **financially responsible** with the public funds made available to us and we will be **innovative** and **customer focused** in how we improve outcomes for our community. We will be **collaborative** in our working, and are **proud** to work for and with others to represent the best interests of our unique and special place. We will be **open** in our approach and with our plans to deliver our aims and priorities.

## Council Risk

The Council have a clear framework and approach to risk management. 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 monitor the Strategic and Service Risk Registers closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.






| No  | Risk Area  | Corporate Plan Priority   |
|-----|--|---|
| SR1 | Economic and demographic conditions limit growth and employment in the district and local business fails to prosper. |    |
| SR2 | Continued pressure on council finances results in an inability to deliver priorities and services.                   |     |
| SR3 | Unable to provide more housing to help meet the needs of the district.   |    |
| SR4 | Health & Wellbeing needs of the residents are not met.   |    |
| SR5 | Unable to protect the natural beauty of the coastline and safeguard local residents                                  |     |
| SR6 | External pressure for development fails to recognise and protect the special and unique character of the New Forest. |    |




## Internal Audit Plan 2019-22





| Audit                          | Scope  | Strategic Risk | Corporate Priority  | 19-20 | 20-21 | 21-22 |
|--------------------------------|--|----------------|---|-------|-------|-------|
| <i>Corporate Cross Cutting</i> |  |                |   |       |       |       |
| Corporate Plan                 | Coverage over the audit cycle to consider governance, planning and development, performance frameworks, timely achievement of desired outcomes and benefits realisation against anticipated success measures.  | SR1 - SR6      |    | ✓     | ✓     | ✓     |
| Programme & Project Management | Assurance over project management framework and compliance in relation to live / ongoing projects in the delivery of ongoing initiatives.  | SR1 - SR6      |    |       | ✓     |       |
| Transformation                 | Governance of transformation initiatives.<br>Coverage over the audit cycle to include: <ul style="list-style-type: none"> <li>• Resource management</li> <li>• Process review</li> <li>• Benefits realisation</li> <li>• Advice/support to individual workstreams</li> </ul> | SR1 - SR6      |   | ✓     | ✓     | ✓     |
| Financial Stability            | Assurance over the management of financial risks e.g. assumptions made for medium term financial projections, financial planning and relationship with in-year budgets.  | SR1 - SR6      |  | ✓     | ✓     | ✓     |





















| Audit                                 | Scope   | Strategic Risk | Corporate Priority  | 19-20 | 20-21 | 21-22 |
|---------------------------------------|---|----------------|---|-------|-------|-------|
| Digital Agenda                        | To review the process and transition to digitalised initiatives.  | SR1 - SR6      |    |       | ✓     |       |
| Income Generation & Commercialisation | Effectiveness of income generation / maximisation (rental income and leases, optimal use of subsidies, fees and charges). Review of relevant strategies.                      | SR1, SR2       |    |       | ✓     |       |
| Working in Partnership                | Assurance over governance, rights of access, third party assurance, contingency arrangements, exit strategies, hosting arrangements (accountabilities), benefits realisation. | SR1 - SR6      |    |       | ✓     |       |
| Asset Management                      | Assurance over effectiveness and delivery of the Asset Management Plan including repairs and maintenance to non-housing assets (planned & reactive).                          | -              |   | ✓     |       | ✓     |
| Information Governance                | Assurance over information governance arrangements to include DPA, FOI, Transparency and General Data Protection Regulations (GDPR).  | SR1 - SR6      |  | ✓     | ✓     | ✓     |
| <i>Governance</i>                     |   |                |   |       |       |       |
| Procurement                           | Assurance over compliance with contract procedure rules and legislative requirements.   | SR1, SR2       |  |       | ✓     |       |







| Audit                  | Scope  | Strategic Risk | Corporate Priority  | 19-20 | 20-21 | 21-22 |
|------------------------|--|----------------|---|-------|-------|-------|
| Contract Management    | Review of contract management arrangements and compliance across a selection of 'key contracts'.   | SR2            |    |       | ✓     |       |
| HR                     | Assurances over the audit cycle to include: <ul style="list-style-type: none"> <li>• Performance Management</li> <li>• Absence Management</li> <li>• Recruitment</li> <li>• Training &amp; Development</li> <li>• Workforce Strategy / Development</li> <li>• Flexible Working</li> <li>• Volunteers.</li> </ul> | SR1, SR2       |    | ✓     | ✓     | ✓     |
| Fraud & Irregularities | Cyclical assurance over the governance 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.   | SR1, SR2       |    | ✓     | ✓     | ✓     |
| Health & Safety        | Effective H&S strategy in place and operating effectively with effective governance, accountability and issue resolution.  | SR4            |  | ✓     |       | ✓     |
| Ethical Governance     | Assurance over framework for ethical governance including declarations of interest, gifts & hospitality and ethical considerations in decision making.   | -              |  |       |       | ✓     |




















| Audit                                    | Scope   | Strategic Risk | Corporate Priority   | 19-20 | 20-21 | 21-22 |
|--|---|----------------|--|-------|-------|-------|
| Business Continuity & Emergency Planning | Assurance over plans to recover services after a major incident / planning for extreme events that may lead to delays in responding to situations and failure to deliver services | SR1 - SR6      |   | ✓     |       | ✓     |
| Risk Management                          | Assurance over the risk management framework including governance, transparency and maturity.   | SR1 - SR6      |   |       | ✓     |       |
| <i>Core Financial Systems</i>            |   |                |  |       |       |       |
| Housing rents                            |   |                |  |       | ✓     |       |
| Housing Benefits                         |   |                |  |       |       | ✓     |
| Council Tax                              |   |                |  |       |       | ✓     |
| Accounts Payable                         | Coverage to complement external audit / regulatory requirements and management concerns – coverage through a mixture of ‘full service’ and ‘walkthrough’ reviews.                 | SR1, SR2       |  | ✓     | ✓     | ✓     |
| Accounts Receivable / Debt Management    |   |                |  | ✓     | ✓     | ✓     |
| Main Accounting                          |   |                |  | ✓     | ✓     | ✓     |
| Treasury Management                      |   |                |  |       |       | ✓     |
| NNDR                                     |   |                |  |       | ✓     |       |

| Audit                                     | Scope  | Strategic Risk | Corporate Priority  | 19-20 | 20-21 | 21-22 |
|---|--|----------------|---|-------|-------|-------|
| Payroll                                   |  |                |   | ✓     | ✓     | ✓     |
| Income Collection                         |  |                |   | ✓     | ✓     | ✓     |
| Taxation (VAT)                            |  |                |   | ✓     |       |       |
| New finance system implementation         | Provision for advice and assurance for the implementation of the new financial system including system controls, separation of duties, data migration etc. | SR1, SR2       |    | ✓     |       |       |
| <i>ICT</i>                                |  |                |   |       |       |       |
| IT Strategy and assurance mapping         | Effective delivery of the IT Strategy.   | SR2            |    |       |       | ✓     |
| PCI DSS Advice                            | Provision for advice and support for PCI DSS compliance  | SR2            |   | ✓     | ✓     |       |
| Software licencing / management of assets | Effective and efficient software licencing and management of IT assets.  | SR2            |  | ✓     |       |       |
| Cyber security                            | Assurance against the defence of physical / information assets which could be compromised using information technology.                                    | SR2            |  | ✓     |       |       |

| Audit  | Scope   | Strategic Risk | Corporate Priority  | 19-20 | 20-21 | 21-22  |
|--|---|----------------|---|-------|-------|--|
| Business Continuity / Disaster Recovery Planning             | Assurance that arrangements are in place to maintain effective IT capability in the event of IT interruption / failure. | SR2            |       | ✓     |       |  |
| Service Desk and Incident Management                         | End to end BAU process for managing incidents and problems. Including first time fix rates, user self service options.  | SR2            |       | ✓     |       |  |
| Network management   | Assurance over the management of the Network.   | SR2            |       |       |       | Timing to be confirmed based upon the implementation of the ICT strategy |
| Applications management                                      | Assurance over inputs, processing, outputs, access controls, interfaces etc.  | SR2            |       |       |       |  |
| Data security and management                                 | Review the arrangements for a sample of areas e.g. Network Security and Cloud Computing.                                | SR2            |       |       |       |  |
| IT Infrastructure & Maintenance                              | Infrastructure is sufficient and fit for purpose to meet the future needs of the organisation.                          | SR2            |     |       |       |  |
| Mobile devices   | Assurance over retention, data security, use of own devices, remote working arrangements.                               | SR2            |   |       |       |  |
| <i>Portfolio Themes</i>                                      |   |                |   |       |       |  |
| <i>Finance, Corporate Services and Improvement Portfolio</i> |   |                |   |       |       |  |

| Audit                             | Scope  | Strategic Risk | Corporate Priority  | 19-20 | 20-21 | 21-22 |
|-----------------------------------|--|----------------|---|-------|-------|-------|
| Democratic Services               | Support and guidance to members and electoral registration / elections.  | -              | -   |       | ✓     |       |
| Fleet Management                  | Administration, procurement and maintenance of the council's vehicle fleet.  | -              |    | ✓     |       | ✓     |
| <i>Housing Portfolio</i>          |  |                |   |       |       |       |
| Homelessness & Affordable Housing | Assurances over delivery & allocation of affordable housing (rent, buy, shared ownership) to achieve corporate outcomes.               | SR3            |    | ✓     |       | ✓     |
| Housing Asset Management          | Coverage over the audit cycle to provide assurances over process and delivery of repairs & maintenance, voids, Decent Homes Standards. | SR3            |    | ✓     | ✓     | ✓     |
| Housing Finance                   | Assurance over delivery, process and procedure in place to address legislative change within the Housing & Planning Act 2016.          | SR3            |   | ✓     | ✓     | ✓     |
| HMOs / Housing enforcement        | Assurances over the registration of HMOs, inspection and enforcement of housing legislation  | SR3            |   |       | ✓     |       |
| Disabled Facility Grants          | Administration and compliance with local / legislative requirements.   | SR3            |  |       | ✓     |       |

| Audit  | Scope  | Strategic Risk | Corporate Priority  | 19-20 | 20-21 | 21-22 |
|--|--|----------------|---|-------|-------|-------|
| <i>Leisure and Wellbeing Portfolio</i>               |  |                |   |       |       |       |
| Health & Leisure Facilities                          | Thematic reviews based on areas of significant risk.   | -              |    |       | ✓     | ✓     |
| Sports & Health Development                          | Partnership working and deliverables against service objectives (cost reduction & maximising outcomes for the customer).   | -              |    | ✓     |       |       |
| <i>Environment and Regulatory Services Portfolio</i> |  |                |   |       |       |       |
| Environmental Services                               | To review refuse collection, recycling & street cleansing in accordance with the Waste Management Strategy. Follow up of actions arising from 18/19 audit                      | -              |    | ✓     | ✓     | ✓     |
| Environmental Management & Climate Change            | Assurance of strategy, policies, procedures and outcomes. Emphasis on coastal maintenance & partnership working (beach huts & moorings picked up in income collection review). | -              |   |       | ✓     |       |
| Environmental Health                                 | To include dog control, pest control, commercial.  | -              |  | ✓     |       |       |
| Licensing  | Assurances over safeguarding, income, application process and monitoring.  | -              |  | ✓     |       | ✓     |

| Audit  | Scope   | Strategic Risk | Corporate Priority  | 19-20  | 20-21 | 21-22 |
|--|---|----------------|---|--|-------|-------|
| Open Spaces                                    | Maintenance & management of the development of open spaces  | -              |     | No proposed coverage at this stage however each service area will be risk assessed each year with plans updated accordingly if risks change. |       |       |
| Public Conveniences                            | Programme of refurbishment and maintenance  | -              |     |  |       |       |
| Cemeteries                                     | Delivery of mandatory service requirements and acquisition of new site(s)   | -              |     |  |       |       |
| Grounds / Tree Maintenance                     | Delivery of works (including highways, housing, civic etc.)   | -              |    |  | ✓     |       |
| <i>Planning and Infrastructure Portfolio</i>   |   |                |   |  |       |       |
| Development / Building Control                 | Review of policy and processes to meet mandatory requirements and future service demands.   | -              |             |  |       | ✓     |
| Planning (incl. Community Infrastructure Levy) | Assurance over legislative compliance and conformance to local policy and procedure. Also to include assurance over the effective utilisation of CIL. | -              |     | ✓  |       | ✓     |
| Parking & Enforcement                          | Income / reconciliations. To include administration of FPN's  | -              |     | ✓  |       | ✓     |



| Audit  | Scope  | Strategic Risk | Corporate Priority  | 19-20 | 20-21 | 21-22 |
|--|--|----------------|---|-------|-------|-------|
| Land Charges   | Maintenance of register & timely response to official searches.  | -              |    | ✓     |       |       |
| <i>Community Affairs Portfolio</i>                         |  |                |   |       |       |       |
| Grants & Returns   | Assurance over the issuing of grants and certification work in respect of grants received.                             | -              |       | ✓     | ✓     | ✓     |
| Community Safety   | Assurance over the fulfilment of the mandatory functions and review of external provider arrangements                  | -              |      | ✓     |       |       |
| <i>Local Economic Development, Property and Innovation</i> |  |                |   |       |       |       |
| Economic Development                                       | Review new business strategy and delivery including processes and outcomes (review to remain cognisant of Local Plan). | SR1            |    |       | ✓     |       |
| <i>Other</i>   |  |                |   |       |       |       |
| Establishment reviews                                      | Thematic reviews on outlying establishments/offices based on areas of significant risk.                                | -              |     | ✓     | ✓     | ✓     |
| National Park Authority                                    | Fulfilment of agreed SLAs.   | -              |    | ✓     | ✓     | ✓     |

| Audit             | Scope  | Strategic Risk | Corporate Priority | 19-20      | 20-21      | 21-22      |
|-------------------|--|----------------|--------------------|------------|------------|------------|
| Management        | Planning, reporting, Audit Committee, Monitoring, Liaison and Advice | -              | -                  | ✓          | ✓          | ✓          |
| <b>Total Days</b> |  |                |                    | <b>470</b> | <b>470</b> | <b>470</b> |