

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'.

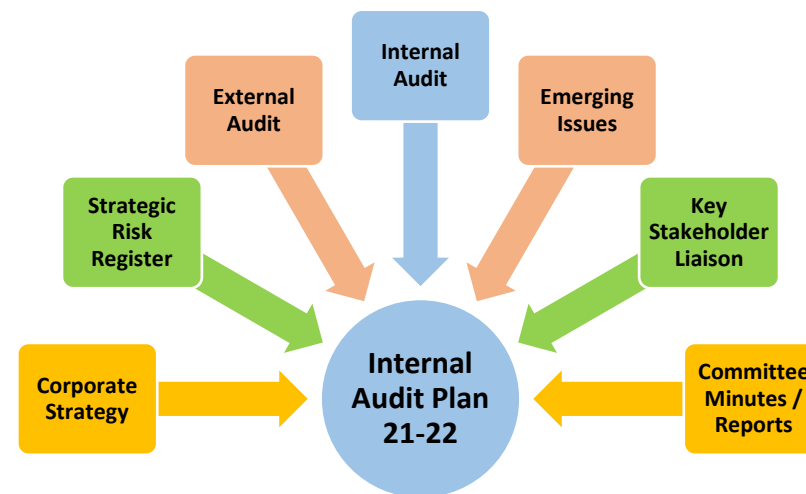
Council Risk

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	Coverage over the audit cycle to consider: - <ul style="list-style-type: none"> • Cyber Security • Cloud • Remote Access • Public Facing Internet Security • IT Security Policy 21-22 focus on Website Phase 2 - to provide assurance over the linking of back end applications to the new website.	CP5	20-21	✓	-	✓
Systems Development and Implementation	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> • Application Reviews • Programme & Project Management. 	CP5	20-21	-	-	✓
IT Disaster Recovery Planning & Business Continuity	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> • IT Business Continuity Planning • Disaster Recovery Planning (DRP) • System Resilience 21-22 focus on new infrastructure and associated DRP.	CP5	18-19	✓	-	-
Networking and Communications	Coverage over the audit cycle to consider: <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