

Internal Audit Plan 2022-23 – 2024-25

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's - 'Delivering a sustainable and prosperous New Forest and putting our community first'
- CP2 - Planning, Regeneration and Infrastructure - 'Encouraging development that meets local needs and enhances the special qualities of the environment'
- CP3 - Housing and Homelessness - 'Creating balanced communities and housing options that are affordable and sustainable'
- CP4 - People and Places - 'Engaging with our communities and maintaining the quality of the place which they live'
- CP5 - Finance, Investment and Corporate Services - 'Enabling service provision and ensuring value for money for the council taxpayer'
- CP6 - Partnering and Wellbeing - 'Improving the health and wellbeing of our community'
- CP7 - Environment and Coastal Services - 'Working to reduce the impact on our special environment and protecting communities by managing our changing coastlines'
- CP8 - Businesses, Tourism and High Streets - 'Helping local businesses to grow and prosper'.

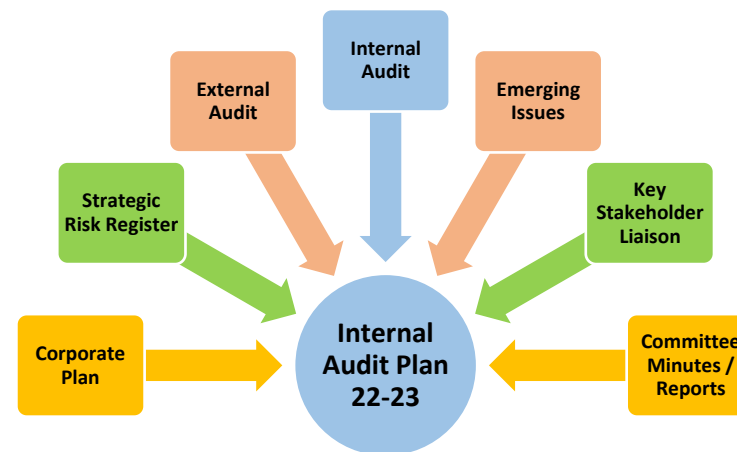
Developing the internal audit plan

The audit plan for the coming year (2022-23) and a projected strategic plan for 2023-24 to 2024-25 has been developed having regard to the Council's 'Vision, Priorities and Values', the Council's risk management framework and areas of corporate and national significance such as climate change.

The audit plan was originally agreed at 470 days when the Council moved from an in-house internal audit team to SIAP in 2018-19. Based on our assessment of the Council's framework of risk management, control and governance processes since the move to SIAP, and following changes within the organisation, we consider that 470 days is now too high and the provision can be reduced to a maximum of 400 days.

The strategic risks assessed by the Council and Corporate Plan priorities are a key focus of our planning for the year to ensure our provision meets the organisation's assurance needs and contributes to the achievement of their objectives. We will continue to monitor the risk registers and portfolio priorities over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

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 2022-25

Audit	Indicative scope	22-23	23-24	24-25
Corporate Plan / Performance Management	Assurance over delivery of the Corporate Plan; underpinning strategies & plans; performance monitoring & reporting frameworks.	✓	-	✓
Climate Emergency / Green Agenda	Assurance over the Council's response to the Climate Emergency including governance, strategies, performance monitoring & reporting arrangements.	✓	-	✓
Corporate Governance Framework	Assurance over the corporate governance framework including the Annual Governance Statement, ethical governance, codes of conduct, complaints, compliments.	-	✓	-
Decision making and accountability	Review of the governance surrounding the decision-making processes and alignment with legislative requirements.	-	-	✓
Programme & Project Management	Review of the programme and project management framework and / or compliance to the framework in relation to live / ongoing projects.	✓	-	✓
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. 	-	✓	✓
Commercial Activities	Effectiveness of income generation / maximisation including rental income and leases, review of associated fees and charges	✓	-	✓

Audit	Indicative scope	22-23	23-24	24-25
	and acquisitions and disposals. 2022-23 focus on lease income and associated charges.			
Alternative Delivery Methods / Partnership Working	Assurance over governance frameworks and / or focus on specific arrangements including rights of access, third party assurance, contingency arrangements, exit strategies, hosting arrangements, benefits realisation, and performance. 2022-23 focus on the Community Safety Partnership.	✓	-	✓
Asset Management (Corporate Estate)	Assurance over effectiveness and delivery of the Asset Management Plan including planned and reactive repairs / maintenance of non-housing assets. 2022-23 focus on statutory safety checks (including lifts, fire, asbestos, legionella etc).	✓	-	✓
Information Governance	Assurance over the audit cycle on information governance arrangements including GDPR, DPA, FOI, Transparency etc.	✓	✓	✓
Procurement	Assurance over compliance with contract procedure rules and legislative requirements.	-	✓	-
Contract Management	Review of contract management arrangements and / or compliance across a selection of 'key contracts'.	-	✓	-
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.	✓	✓	✓

Audit	Indicative scope	22-23	23-24	24-25
Health & Safety	Assurance there is an appropriate H&S strategy in place with effective governance, accountability and issue resolution.	-	✓	-
Business Continuity	Assurance over the governance framework and individual plans to maintain services after a major incident.	✓	-	✓
Emergency Planning	Assurance over the Council's plans and arrangements for dealing with extreme events.	✓	-	-
Risk Management	Assurance over the risk management framework including governance, transparency and maturity.	✓	-	✓
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. 2022-23 focus the new HR Strategy and monitoring frameworks.	✓	✓	✓
Housing Benefits		-	-	✓
Council Tax		-	✓	-
NNDR		✓	-	-
Accounts Payable	Cyclical coverage of core systems to meet legislative requirements.	-	✓	-
Accounts Receivable and Debt Management		✓	-	-

Audit	Indicative scope	22-23	23-24	24-25
Main Accounting and Reconciliations		✓	-	-
Payroll		-	-	✓
Income Collection and Banking		-	✓	-
Treasury Management		-	-	✓
Grant Certifications	Certification audit(s) as required.	✓	✓	✓
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. 	✓	TBC	TBC
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. 	-	TBC	TBC
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. 	✓	TBC	TBC

Audit	Indicative scope	22-23	23-24	24-25
	2022-23 focus on effective use and management of identity information across IT systems.			
Systems Development and Implementation	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> • Application Reviews • Programme & Project Management. 	-	TBC	TBC
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 • System Resilience 2022-23 follow-up review to reassess IT Disaster Recovery and Business Continuity Planning following a 'limited assurance' opinion in 2021-22.	✓	TBC	TBC
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 • Telecommunications. 	-	TBC	TBC
PCI DSS Advice	Provision for advice and support for PCI DSS compliance.	✓	TBC	TBC
Housing Rents	Coverage to include rent setting, income collection and debt management.	-	-	✓

Audit	Indicative scope	22-23	23-24	24-25
Homelessness	Assurance that there is effective control to deliver strategic objectives and legislative requirements to prevent homelessness.	✓	-	-
Housing Management	<p>Assurance over the arrangements to manage the Council's housing stock. Coverage over a three year cycle to include:-</p> <ul style="list-style-type: none"> • Housing allocations • Affordable housing • Shared ownership • Right to buy. <p>2022-23 focus on the effectiveness of the new housing management system once implemented.</p>	✓	✓	✓
Housing Asset Management	<p>Coverage over the audit cycle to provide assurances that all statutory obligations are met with the management of the Council's housing stock, including proactive and reactive repairs & maintenance, management of voids, safety checks etc.</p> <p>2022-23 to focus on two areas – Electrical Safety and Legionella checks.</p>	✓	✓	✓
Housing Enforcement	Assurances over the inspection and enforcement of housing legislation including the licencing of HMOs.	-	-	✓
Disabled Facilities Grants	Administration and compliance with local / legislative requirements to enable adaptations to people's homes.	-	✓	-
Planning / Development Management	Assurance over areas such as the end-to-end planning processes, Community Infrastructure Levy, S106 agreements / developer obligations.	-	✓	-

Audit	Indicative scope	22-23	23-24	24-25
Building Control	Review of policy and processes in line with legislative requirements.	-	-	✓
Regeneration	Review of strategic approach for regeneration including performance measures and reporting outcomes.	-	-	✓
Economic Development	Review of arrangements to promote economic development.	-	✓	-
Leisure Contract	Assurance over the delivery of the intended outcomes of the Leisure Contract.	✓	-	-
Grounds / Tree Maintenance / Open Spaces	Assurance over the maintenance and management of open spaces / Tree Maintenance and management including Ash Die Back. 2022-23 focus on playground safety checks.	✓	-	-
Fleet Management	Administration, procurement and maintenance of the Council's vehicle fleet.	-	-	✓
Environmental Services	To review refuse collection, recycling and street cleansing and the implementation of the waste strategy.	-	✓	-
Environmental Health	Assurance over the Council's legal obligations for Environmental Health. 2022-23 focus on food hygiene inspections.	✓	-	-
Licensing	Assurances over safeguarding, income collection, application process and monitoring.	-	✓	-
Parking & Enforcement	Review of parking and enforcement processes including administration of Fixed Penalty Notices and car park income collection.	-	✓	-

Audit	Indicative scope	22-23	23-24	24-25
Boundary Commission Changes	Critical friend role for the preparation for the Boundary Commission changes due by May 2023.	✓	-	-
Engineering works	Assurances over how the team's workload is planned, prioritised and performance is managed.	✓	-	-
Key Haven	Assurance over the fee setting and income collection processes for Key Haven moorings and other associated activities.	✓	-	-
Service Specific Reviews	Provision for service specific reviews identified through annual planning process to address changing risks, strategic priorities, legislative changes, management concerns etc.	-	✓	✓
National Park Authority	Provision of audit days to fulfil the Council's SLA with the NPA.	✓	✓	✓
Management	Provision for audit planning, reporting, Audit Committee, monitoring, liaison, follow-up and advice.	✓	✓	✓
Total days				400