

Internal Audit Progress Report 2023-24

December 2023

New Forest District Council



**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

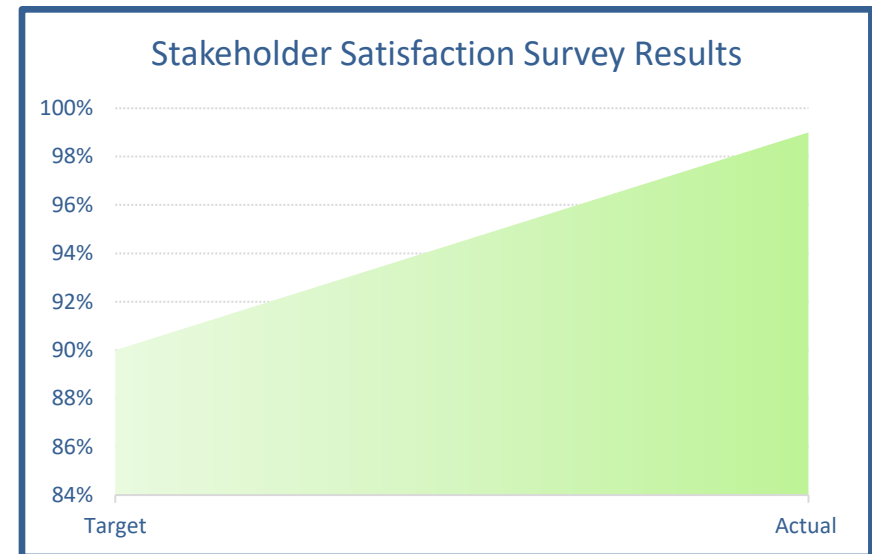
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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. 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.

3. Performance dashboard



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

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Yet Due	Complete	Overdue		
							L	M	H
Income Collection and Banking	Jun 21	SM (R&CS)	Reasonable	4	2	2			
Cyber Security	Jul 21	ICTOM	Reasonable	8	0	6		2	
Lease Income and Charges	Aug 22	SM (E&V)	Reasonable	2	0	1	1		
Homelessness – Triage	Apr 23	SM (HO)	Reasonable	6	0	3	3		
Fleet Management (follow-up phase 2)	May 23	SM (W&T)	Reasonable	9	0	0	2	3	4
Identity Management (ICT)	May 23	ICTOM	Reasonable	6	0	5		1	
IT Asset Management *	May 23	ICTOM	Limited	11	0	11			
Risk Management – Follow-up *	Jun 23	SDCR&T	n/a	7	0	7			
Engineering Works	Aug 23	SM (C)	Limited	10	7	0	1	1	1
Commercial Activities – Appletree Holdings	Oct 23	SM (E&V)	Substantial	1	1	0			
Employee Benefits/Salary Sacrifice Scheme *	Oct 23	SM (HR)	Reasonable	4	0	4			
NNDR	Nov 23	SM (R&CS)	Reasonable	4	3	1			
Open Spaces and Playground Safety Checks	Dec 23	G&SM	Limited	12	2	5		4	1
Total							7	11	6

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

Audit Sponsor		Audit Sponsor	
Strategic Director Housing, Communities & Governance	SDHC&G	ICT Operations Manager	ICTOM
Assistant Director Housing	ADH	Transformation & Improvement Manager	T&IM
Service Manager (Housing Maintenance & Compliance)	SM (HM&C)	Performance & Insight Manager	P&IM
Service Manager (Housing Options, Rents, Support and Private Sector Housing)	SM (HO)	Strategic Director Place, Operations & Sustainability	SDPOS
Service Manager (Housing Strategy & Development)	SM (HS&D)	Assistant Director Place Operations	ADPO
Service Manager (Estate Management & Support)	SM (EM&S)	Service Manager (Coastal)	SM (C)
Service Manager (Democratic Services)	SM (DS)	Service Manager (Waste & Transport)	SM (W&T)
Service Manager (Legal Services)	SM (LS)	Environment Enforcement & Amenities Manager	EE&AM
Service Manager (Environmental & Regulation)	SM (E&R)	Grounds & Streetscene Manager	G&SM
Information Governance & Complaints Manager	IG&CM	Assistant Director Place Development	ADPD
Strategic Support Manager	SSM	Service Manager (Development Management)	SM (DM)
Strategic Director Corporate Resource & Transformation	SDCR&T	Service Manager (Planning Policy and Infrastructure)	SM (PP&I)
Assistant Director Transformation	ADT	Economic Development Manager	EDM
Service Manager (Revenues & Customer Services)	SM (R&CS)	Building Control Team Leader	BCTL
Service Manager (Human Resources)	SM (HR)		
Service Manager (Estates & Valuation)	SM (E&V)		
Service Manager (Finance)	SM (FIN)		
Service Manager (Elections & Business Improvement)	SM (E&BI)		
Data Development & Delivery Manager	DDDM		

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

No audits have concluded with a ‘Limited’ or ‘No’ Assurance Opinion.

6. Planning & Resourcing

The Internal Audit Plan for 2023-24 was agreed by EMT and approved by the Audit Committee in March 2023. 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	Terms of reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2022-23 Audits (included within the annual report and opinion)								
Open Spaces and Playground Safety Checks	G&SM	✓	✓	✓	Dec 22	Dec 23	Limited	
Engineering Works	SM (C)	✓	✓	✓	Sep 22	Aug 23	Limited	
2023-24 Audits								
Corporate / Governance Framework								
Transformation Programme – Governance Arrangements	ADT	✓	✓	✓				
Corporate Governance Framework – Fraud Framework	SM (R&CS)	✓	✓	✓				
Commercial Activities – Appletree Holdings	SM (E&V)	✓	✓	✓	Sep 23	Oct 23	Substantial	
Business Continuity	SM (E&R)	✓	✓	✓	Jul 23			
Information Governance – Data Retention/Records Management	IG&CM	✓						Q4

Audit Review	Sponsor	Scoping	Terms of reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Procurement	SDCR&T	✓	✓	✓				
Contract Management – Leisure Contract	SDCR&T							Q4
Health and Safety	SM (HR)	✓	✓	✓				
Emergency Planning	SM (E&R)	✓	✓	✓				
Risk Management	SM (FIN)	✓						Q4
Human Resources								
Employee Benefits/Salary Sacrifice Scheme	SM (HR)	✓	✓	✓	Sep 23	Oct 23	Reasonable	
Core Financial Systems								
Council Tax – Debt Management & Resident Support	SM (R&CS)	✓	✓	✓	Nov 23	Nov 23	Substantial	
NNDR	SM (R&CS)	✓	✓	✓	Nov 23	Nov 23	Reasonable	
Accounts Payable	SM (FIN)	✓	✓	✓				
Income Collection and Banking	SM (FIN)	✓	✓	✓	Dec 23	Dec 23	Substantial	
Information Technology								
IT – Contract Management	ICTOM	✓	✓	✓				
IT – Asset Management Follow-up	ICTOM	✓	✓	✓				
Portfolio Themes								
Homelessness – Prevention and Relief	SM (HO)	✓	✓	✓				
Housing Allocations	SM (HO)							Q4
Housing Management - Rents	SM (HO)							Q4
Housing Asset Management – Electrical Safety Checks	SM (HM&C)	✓	✓	✓	Oct 23			
Disabled Facilities Grants	ADH	✓						Q4
CIL/S106/Developer Obligations	SM (DM)	✓						Q4

Audit Review	Sponsor	Scoping	Terms of reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Environmental Services – Garden Waste Collection	ADPO	✓	✓					Q4
Licencing	SM (E&R)	✓						Q4
Parking and Enforcement	EE&AM	✓	✓	✓				
Clean Streets – Enforcement	EE&AM	✓	✓	✓				
Keyhaven – Inspection/Enforcement	SM (C)	✓						Q4
Telecare	SM (EM&S)	✓						Q4
Changing Places Grant **	SDCR&T	✓	n/a	✓	n/a	Sep 23	n/a	Grant certified

Annex 1 - Adjustments to the plan

Audit reviews added to the plan (included in rolling work programme above)	Comment
Business Continuity *	Carried forward from 2022-23 plan as work in progress at the time of the Annual Internal Audit Report and Opinion.
Housing Asset Management – Electrical Safety Checks *	Carried forward from 2022-23 plan as work in progress at the time of the Annual Internal Audit Report and Opinion.
Changing Places Grant **	DLUHC changing places grant requiring certification that usage is in line with the grant conditions.

Audit reviews removed from the plan (excluded from rolling work programme)	Comment
HR - Performance Management Reviews **	Defer the review to 2024-25 to align with the approval of the new/refreshed Corporate Plan and subsequent development / cascade of performance measures to individual performance management reviews.
Performance Management Framework ***	Defer the review to 2024-25 to align with the approval of the new/refreshed Corporate Plan and subsequent cascade of performance measures to Services.
Planning / Development Management – End to end process ***	Defer the review as new Planning/Development Management system has not been implemented within anticipated timeframes pending further developments required from the system provider.
Housing Asset Management – Voids ***	An action plan to address voids has been developed therefore defer the review to 2024-25 in order to assess progress with the action plan.

* Agreed July 2023

** Proposed October 2023

*** Proposed January 2024