APPENDIX A

Internal Audit Progress Report 2024-25

July 2024

New Forest District Council

Contents:

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.
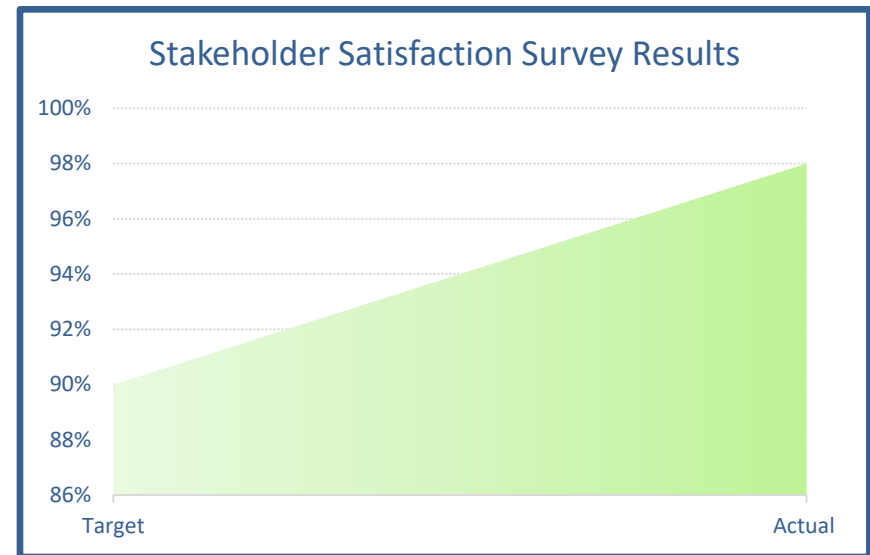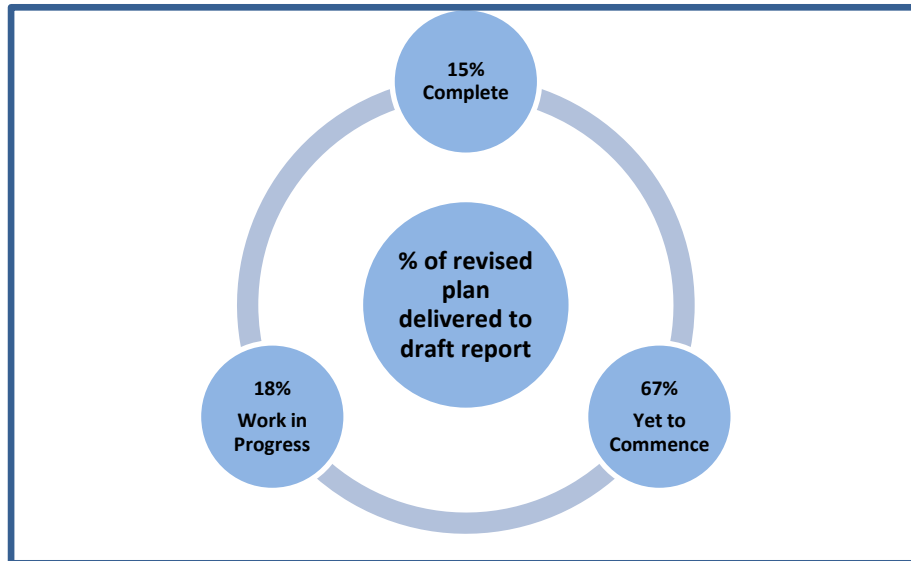
2. Purpose of report

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

15% Complete

% of revised plan delivered to draft report

18% Work in Progress

67% Yet to Commence

Stakeholder Satisfaction Survey Results

100%
98%
96%
94%
92%
90%
88%
86%

Target   Actual

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 (CSR&B)**	**Reasonable**	**4**	**0**	**4**			
Cyber Security *	**Jul 21**	**ICTOM**	**Reasonable**	**8**	**0**	**8**			
Lease Income and Charges *	**Aug 22**	**SM (E&V)**	**Reasonable**	**2**	**0**	**2**			
Homelessness – Triage *	**Apr 23**	**SM (HO)**	**Reasonable**	**6**	**0**	**6**			
Fleet Management (follow-up phase 2)	May 23	SM (W&T)	Reasonable	9	0	7		2	
Identity Management (ICT) *	**May 23**	**ICTOM**	**Reasonable**	**6**	**0**	**6**			
Engineering Works	Aug 23	SM (C)	Limited	10	0	4	1	4	1
Commercial Activities – Appletree Holdings	Oct 23	SM (E&V)	Substantial	1	1	0			
NNDR	Nov 23	SM (CSR&B)	Reasonable	4	2	2			
Open Spaces and Playground Safety Checks	Dec 23	G&SM	Limited	12	0	5		5	2
Housing Asset Management – Electrical Safety Checks	Feb 24	SM (HM)	Reasonable	8	0	6	2		
Business Continuity	Mar 24	SM (E&R)	Reasonable	2	2	0			
Transformation Programme – Governance Arrangements	May 24	ADT	Reasonable	3	3	0			
Homelessness – Prevention and Relief	May 24	SM (HO)	Reasonable	6	3	3			
Corporate Governance Framework – Fraud Framework	May 24	SM (CSR&B)	Reasonable	5	5	0			
Accounts Payable	Jun 24	FIN	Reasonable	5	5	0			
Animal Welfare Licencing	Jun 24	SM (E&R)	Reasonable	6	6	0			
Procurement	Jun 24	SPM	Reasonable	4	4	0			
Community Infrastructure Levy- Expenditure Framework	Jun 24	SM (DM)	Substantial	1	1	0			
Housing Rent Reconciliations	Jul 24	SM (HO)	Reasonable	5	5	0			
Housing Allocations	Jul 24	SM (HO)	Reasonable	1	1	0			
IT – Contract Management *	**Jul 24**	**ICTOM**	**Substantial**	**2**	**0**	**2**			
Total							3	11	3

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

Audit Sponsor		Audit Sponsor	
Chief Executive	CX	Assistant Director Place Development	ADPD
Communications Manager	CM	Service Manager (Development Management)	SM (DM)
Strategic Director Housing & Communities	SDH&C	Service Manager (Policy & Strategy)	SM (P&S)
Assistant Director Housing	ADH	Building Control Manager	BCM
Service Manager (Housing Maintenance)	SM (HM)	Climate Change Manager	CCM
Service Manager (Housing Options, Rents Support and Private Sector Housing)	SM (HO)	Strategic Director Corporate Resources & Transformation	SDCR&T
Service Manager (Strategy & Development)	SM (S&D)	Service Manager (Estates & Valuation)	SM (E&V)
Greener Housing Development Manager	GHDM	Service Manager (Customer Services, Revenues & Benefits)	SM (CSR&B)
Anti-Social Behaviour Manager	ASBM	Finance Manager	FIN
Tenant Engagement Manager	TEM	Strategic Procurement Manager	SPM
Rent, Accounting & Home Ownership Manager	RA&HOM	Assistant Director Transformation	ADT
Service Manager (Estate Management & Support)	SM (EM&S)	Service Manager (Human Resources)	SM (HR)
Service Manager (Environmental & Regulation)	SM (E&R)	ICT Operations Manager	ICTOM
Strategic Director Place, Operations & Sustainability	SDPOS	Data Development & Delivery Manager	DDDM
Assistant Director Place Operations	ADPO	Transformation & Improvement Manager	T&IM
Service Manager (Waste & Transport)	SM (W&T)	Assistant Director Governance & Monitoring Officer	ADG&MO
Service Manager (Coastal)	SM (C)	Service Manager (Democratic & Support Services)	SM (D&SS)
Environment Enforcement & Amenities Manager	EE&AM	Information Governance & Complaints Manager	IG&CM
Grounds & Streetscene Manager	G&SM		

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 2024-25 was agreed by EMT and approved by the Audit Committee in March 2024. 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
2023-24 Audits (included within the annual report and opinion)								
Procurement	SPM	✓	✓	✓	May 24	Jun 24	Reasonable	
Accounts Payable	FIN	✓	✓	✓	May 24	Jun 24	Reasonable	
Homelessness – Prevention and Relief	SM (HO)	✓	✓	✓	Mar 24	May 24	Reasonable	
Animal Welfare Licencing	SM (E&R)	✓	✓	✓	May 24	Jun 24	Reasonable	
2024-25 Audits								
Corporate / Governance Framework								
Corporate Plan / Performance Management	ADT							Q3
Transformation Programme	ADT							Q2-4
Corporate Governance Framework – Fraud Framework	SM (CSR&B)	✓	✓	✓	May 24	May 24	Reasonable	
Corporate Governance Framework	ADG&MO							Q2
Programme & Project Management	SDCR&T							Q3
Budget Planning/Setting	FIN	✓	✓	✓				

Audit Review	Sponsor	Scoping	Terms of reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Partnership Working – Town and Parish Councils	ADPO							Q2
Asset Management (Corporate Estate)	SM (E&V)							Q3
Information Governance – Data Retention/Records Management	IG&CM	✓	✓	✓				
Information Governance	IG&CM							Q4
Emergency Planning	SM (E&R)							Q4
Contract Management – Leisure Contract	SDCR&T	✓	✓	✓				
Health and Safety	SM (HR)	✓	✓	✓				
Risk Management	FIN	✓	✓	✓	Jun 24			
Human Resources								
HR – Statutory Responsibilities	SM (HR)							Q2-3
Core Financial Systems								
Housing Benefits	SM (CSR&B)							Q2
Payroll and Expenses	SM (HR)							Q3
Treasury Management	FIN							Q3
Information Technology								
IT – Contract Management	ICTOM	✓	✓	✓	Jul 24	Jul 24	Substantial	
IT – Application Lifecycle Management	ICTOM							Q2-3
IT – Project Delivery	ICTOM							Q3-4
IT – Firewall Management and Monitoring	ICTOM							Q4
Portfolio Themes								
Housing Management – Right to Buy	SM (HO)							Q2
Housing Allocations	SM (HO)	✓	✓	✓	Jun 24	Jul 24	Reasonable	
Housing Rent Reconciliations	SM (HO)	✓	✓	✓	Jun 24	Jul 24	Reasonable	

Audit Review	Sponsor	Scoping	Terms of reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Housing Asset Management – Voids	SM (HM)							Q3
Housing Asset Management – Lift Inspections	SM (HM)	✓						Q2
Housing Asset Management – Gas Safety	SM (HM)							Q4
Housing Asset Management – Asbestos	SM (HM)							Q4
Housing Enforcement	SM (HO)							Q2
Community Infrastructure Levy Expenditure Framework	SM (DM)	✓	✓	✓	May 24	Jun 24	Substantial	
Planning/Development Management	SM (DM)							Q4
Building Control	BCM							Q3
Environmental Services – New Waste Strategy	ADPO							Q2
Environmental Health	SM (E&R)							Q2
Licencing	SM (E&R)							Q4
Parking and Enforcement	EE&AM	✓	✓	✓				
Clean Streets – Enforcement	EE&AM	✓	✓	✓				
Cemeteries	G&SM							Q3

Annex 1 - Adjustments to the plan

Audit reviews added to the plan (included in rolling work programme above)	Comment
Corporate Governance Framework – Fraud Framework *	Brought forward from 2023/24 as work in progress
Information Governance – Data Retention/Records Management *	Brought forward from 2023/24 as work in progress
Contract Management – Leisure Contract *	Brought forward from 2023/24 as work in progress
Health and Safety *	Brought forward from 2023/24 as work in progress
Risk Management *	Brought forward from 2023/24 as work in progress
IT – Contract Management *	Brought forward from 2023/24 as work in progress
Housing Allocations *	Brought forward from 2023/24 as work in progress
Housing Rent Reconciliations *	Brought forward from 2023/24 as work in progress
Community Infrastructure Levy Expenditure Framework *	Brought forward from 2023/24 as work in progress
Parking and Enforcement *	Brought forward from 2023/24 as work in progress
Clean Streets – Enforcement *	Brought forward from 2023/24 as work in progress

Audit reviews removed from the plan (excluded from rolling work programme)	Comment
N/A	

* Proposed July 2024