

Internal Audit Plan

2018-19

New Forest District Council



Southern Internal Audit Partnership

Assurance through excellence
and innovation

Contents

Introduction	.....	3
Your Internal Audit Team	.....	4
Conformance with Internal Audit Standards	.....	4
Conflicts of Interest	.....	4
Developing the internal audit plan 2018-19	.....	5
Council Vision, Priorities and Values	.....	6
Council Risk	.....	7
Internal Audit Plan	.....	8 – 18

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. The team will be led by Neil Pitman, Head of Southern Internal Audit Partnership, supported by Antony Harvey, Strategic Lead and an appointed 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, and which are required to be disclosed under internal auditing standards.

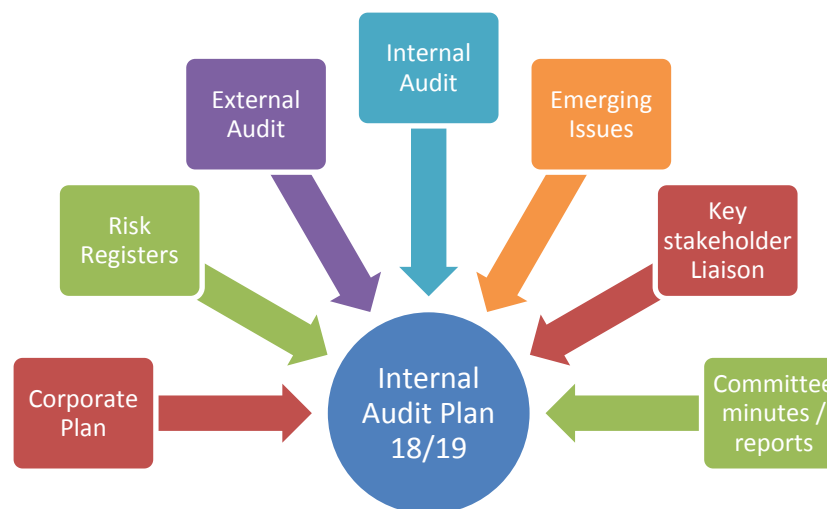
Developing the internal audit plan 2018/19

Based on our review of key corporate documents and our understanding of the organisation the Southern Internal Audit Partnership have developed an audit plan for the coming year (2018/19) which includes a projected high level strategic plan (2018 – 2021).

It would be our intention that this plan is further discussed with key stakeholders including Senior Management, Service Leads and Members to ensure it fully captures the assurance needs of the organisation.

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.



The audit plan has been developed having regard to the Council's 'Vision, Priorities and Values' and the Council's risk management framework.

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 2018-21















Audit	Risk / Scope	Strategic Risk	Service Risk	Corporate Priority	2018-19	2019-20	2020-21
Corporate							
Corporate Plan	Assurance over governance and timely implementation of desired outcomes. Benefits realisation against anticipated success measures.	SR1, SR2, SR3, SR4, SR5, SR6	Cross cutting		✓	✓	✓
Programme & Project Management	Assurance over project management framework and compliance in relation to live / ongoing projects in the delivery of ongoing initiatives.	SR1, SR2, SR3, SR4, SR5, SR6	Cross cutting		✓		✓
Transformation	Assurance over transformation initiatives including: <ul style="list-style-type: none"> Resource management Benefits realisation Efficiency Plan (Transformation Savings) Process review. 	SR2, SR3, SR6	CPF1, EV2, WT9, HPP1, BIC1, ICT18, ICT19, R2		✓	✓	✓
Financial Stability	Assurance over financial risks relating to assumptions made for medium term financial projections.	SR2	FA1, HC7, PS5, R2, FA3, CPC4, S5, HPP1, FA4		✓	✓	✓











Audit	Risk / Scope	Strategic Risk	Service Risk	Corporate Priority	2018-19	2019-20	2020-21
Digital Agenda	Significant culture shift with the risk of insufficient IT infrastructure, security and stakeholder engagement. To review the process and transition to digitalisation initiatives.	SR1, SR2, SR3, SR4, SR5, SR6	Cross cutting		✓		✓
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	HC7, PB9, WT4, EV1		✓		✓
Working in Partnership	Working alongside different cultures. Potential for some loss of control / ownership of service delivery. Assurance over governance, rights of access, third party assurance, contingency arrangements, exit strategy, hosting arrangements (accountabilities), benefit realisation.	SR1, SR2, SR3, SR4, SR5, SR6	Cross cutting		✓		✓
Asset Management	Assurance over effectiveness and delivery of the Asset Management Plan including repairs and maintenance to non-housing assets (planned & reactive).	-	HC5			✓	






Audit	Risk / Scope	Strategic Risk	Service Risk	Corporate Priority	2018-19	2019-20	2020-21
Governance							
HR	<p>Weak or ineffective internal control leading to financial loss resulting in damage to the Council's reputation and adverse publicity. Assurances over the audit cycle to cover:</p> <ul style="list-style-type: none"> • Performance Management • Absence management • Recruitment • Training & Development • Workforce Strategy / Development • Flexible Working • Volunteers. 	SR1, SR2	HC4, HC5, CPF3, PB4, PS4, WT1, EV3, OS3, HPP3, HR1, HR2, WT5, R3, S3, LD2, BIC4		✓	✓	✓
Fraud & Irregularities	<p>Cyclical assurance over the governance arrangements to prevent, detect and investigate fraud and irregularities. Annual provision to monitor the outcomes from proactive and reactive fraud work undertaken directly by the Council.</p>	SR1	FA2		✓	✓	✓
Procurement	<p>Assurance over compliance with contract procedure rules and legislative requirements.</p>	SR1, SR2	Cross cutting		✓		✓








Audit	Risk / Scope	Strategic Risk	Service Risk	Corporate Priority	2018-19	2019-20	2020-21
Contract Management	Review of contract management arrangements and compliance across a selection of 'key contracts'.	SR2	Cross cutting			✓	
Health & Safety	Effective H&S strategy in place and operating effectively with effective governance, accountability and issue resolution.	SR4	CPF2, WT3			✓	
Information Governance	Assurance over information governance arrangements to include DPA, FOI, Transparency and General Data Protection Regulation (GDPR).	-	GR1, HC5, PB10		✓	✓	✓
Ethical Governance	Assurance over organisational change (austerity) – cultural change, declarations of interest, gifts & hospitality.	-	FA8			✓	
Business Continuity & Emergency Planning	Assurance over planning for extreme events that may lead to delays in responding to situations resulting in increased costs and staff resources including: <ul style="list-style-type: none"> • Business Continuity Plan • Emergency Plan. 	-	WT2, WT3, WT6, WT7, BIC8			✓	
Risk Management	Assurance over the risk management framework including governance, transparency and maturity.	-	-		✓	✓	✓







Audit	Risk / Scope	Strategic Risk	Service Risk	Corporate Priority	2018-19	2019-20	2020-21			
Core Financial Reviews										
Housing rents					✓	✓	✓			
Housing Benefits					✓	✓	✓			
Council Tax					✓	✓	✓			
Accounts Payable					✓	✓	✓			
Accounts Receivable / Debt Management	Coverage to complement external audit / regulatory requirements and management concerns – coverage through a mixture of ‘full service’ and ‘walkthrough’ reviews.	SR1, SR2	HC5, FA4, FA8, FA9		✓	✓	✓			
Main Accounting					✓	✓	✓			
Treasury Management					✓	✓	✓			
NNDR					✓	✓	✓			
Payroll					✓	✓	✓			
Income Collection					✓	✓	✓			
Taxation (VAT)								✓		





Audit	Risk / Scope	Strategic Risk	Service Risk	Corporate Priority	2018-19	2019-20	2020-21
IT							
IT Strategy and assurance mapping	Effective delivery of the IT Strategy.	SR2	ICT13, HC8, ICT12, ICT16	 	✓	✓	✓
Software licencing / management of assets	Effective and efficient software licencing and management of IT assets.	SR2	ICT9, HC8	 	To be confirmed on assessment of the outcomes of the IT Strategy Review and assurance mapping exercise.		
Network management	Assurance over the management of the Network.	SR2	HC8	 			
Applications management	Assurance over inputs, processing, outputs, access controls, interfaces etc.	SR2	ICT11, HC8	 			
Data security and management	Review the arrangements for a sample of areas e.g. Network Security and Cloud Computing.	SR2	ICT10, HC8	 			
Cyber security	Assurance against the defence of physical / information assets which could be compromised using information technology.	SR2	HC8, ICT10	 			
Disaster Recovery Planning	Assurance that arrangements are in place to maintain effective IT capability in the event of IT interruption / failure.	-	WT11, R1, ICT14	 			

Audit	Risk / Scope	Strategic Risk	Service Risk	Corporate Priority	2018-19	2019-20	2020-21
IT Infrastructure & Maintenance	Infrastructure is sufficient and fit for purpose to meet the future needs of the organisation.	-	ICT2	 	To be confirmed on assessment of the outcomes of the IT Strategy Review and assurance mapping exercise.		
Mobile devices	Assurance over retention, data security, use of own devices, remote / home working arrangements.	SR2	ICT7, HC8	 			
Portfolio Themes							
Finance, Corporate Services and Improvement Portfolio							
Members Allowances	To be incorporated within our review of payroll.	-	-		✓	✓	✓
Democratic Services	Support and guidance to members and electoral registration / elections.	-	LD5, LD6	-		✓	
Fleet Management	Administration, procurement and maintenance of the council's vehicle fleet.	-	-			✓	
Housing Portfolio							
Homelessness & Affordable Housing	Assurances over delivery & allocation of affordable housing (rent, buy, shared ownership) to achieve corporate outcomes.	-	HC2, HC3, HPP2	   	✓		✓

Audit	Risk / Scope	Strategic Risk	Service Risk	Corporate Priority	2018-19	2019-20	2020-21
Housing Asset Management	Assurance over process and delivery of repairs and maintenance, voids, Decent Homes Standards.	SR3	HPP1		✓	✓	✓
Housing Finance	Assurance over delivery, process and procedure in place to address legislative change within the Housing & Planning Act 2016: <ul style="list-style-type: none"> • Sale of high value vacant property • New Starter Homes / Register of self builds • Rent setting & Collection • New Homes Bonus Scheme (New Homes Plan). 	-	HPP2		✓	✓	✓
Disabled Facility Grants	Administration and compliance with local / legislative requirements.	-	-		✓	✓	✓
Leisure and Wellbeing Portfolio							
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).	-	-			✓	

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Environment and Regulatory Services Portfolio							
Environmental Services	To review refuse collection, recycling & street cleansing in accordance with the Waste Management Strategy.	-	WT7, WT9, WT8, WT4, WT6		✓		✓
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).	-	CPF4			✓	
Environmental Health	To include dog control, pest control, commercial.	-	-			✓	
Licensing	Assurances over safeguarding, income, application process and monitoring.	-	-		✓		
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)	-	OS2				

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Grounds / Tree Maintenance	Delivery of works (including highways, housing, civic etc.)	-	OS1				✓
Planning and Infrastructure Portfolio							
Development / Building Control	Review of policy and processes to meet mandatory requirements and future service demands.	-	PB8, PB1, PB6, PB9, PB3, PB5		✓		
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.	-	PB2, PS1, PS2				✓
Parking & Enforcement	Income / reconciliations. To include administration of FPN's	-	S4				✓
Land Charges	Maintenance of register & timely response to official searches.	-	PB5				✓
Community Affairs Portfolio							
Grants & Returns	Assurance over the issuing of grants and certification work in respect of grants received.	-	-		✓	✓	✓

Audit	Risk / Scope	Strategic Risk	Service Risk	Corporate Priority	2018-19	2019-20	2020-21
Community Safety	Assurance over the fulfilment of the mandatory functions and review of external provider arrangements	-	BIC6, BIC7			✓	
Local Economic Development, Property and Innovation							
Economic Development	Review new business strategy and delivery including processes and outcomes (review to remain cognisant of Local Plan).	SR1	PS3		✓		✓
Other							
Establishment reviews	Thematic reviews on outlying establishments/offices based on areas of significant risk.	-	-		✓	✓	✓
National Park Authority	Fulfilment of agreed SLAs.	-	-		✓	✓	✓
Management	Planning, reporting, Audit Committee, Monitoring, Liaison and Advice	-	-	-	✓	✓	✓
Total Days					470	470	470