

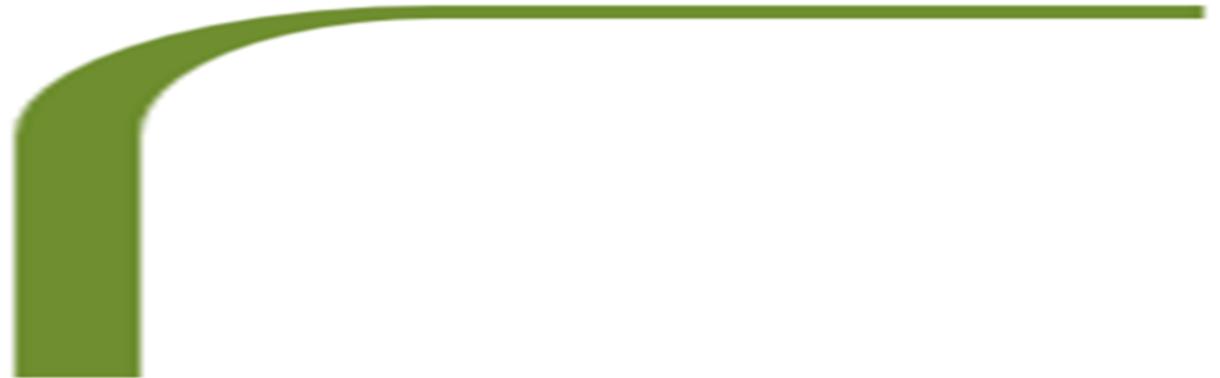
Internal Audit Plan

2019-20

Havant Borough Council

Havant
BOROUGH COUNCIL

**Southern Internal
Audit Partnership**



Contents

Introduction	.....	2
Your Internal Audit Team	.....	3
Conformance with Internal Audit Standards	.....	3
Conflicts of Interest	.....	3
Council Vision	.....	4
Council Risk	.....	4
Developing the internal audit plan 2019-20	.....	4 -5
Internal Audit Plan 2019-20	.....	6 - 8

Introduction

The role of internal audit is that of an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisation's 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 Heads of Service and Executive Board, 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 Amanda Chalmers, 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, which are required to be disclosed under internal auditing standards.

Council Vision

The 'Corporate Strategy' outlines Havant Borough Council's mission – 'to support and encourage Team Havant to be innovative and creative in the design and delivery of exceptional frontline services'. The strategy contains the Council's values, priorities and outcomes to be achieved by 2026.

The priorities outlined within the strategy are:-

- Ensuring that the Council is financially sustainable
- Understanding the future needs of our residents, businesses and visitors and designing our services to meet those needs
- Demonstrating strong leadership in the council and throughout our communities
- Supporting our most vulnerable residents
- Identifying the key areas of the Borough where regeneration will have the greatest impact
- Stimulating the regeneration of the Borough to create a modern and attractive place to attract national and international businesses, supporting a vibrant economy with a broad range of job opportunities, diverse housing market and provides excellent leisure and retail facilities
- Ensuring that our services support a cohesive society and a high quality environment for future generations
- To deliver the frontline services.

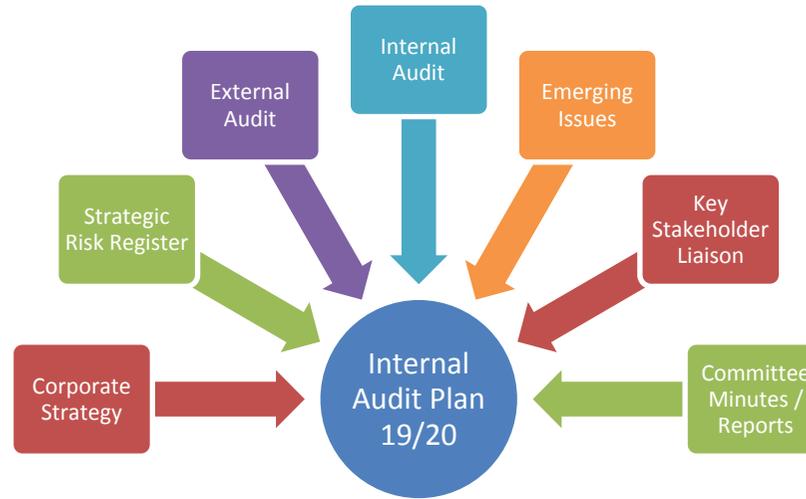
Council Risk

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 risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Developing the internal audit plan 2019/20

We have used various sources of information and discussed priorities for internal audit with the Executive Board, Head of Service and the Governance, Audit and Finance Board. Based on these conversations with key stakeholders, review of key corporate documents including the Council Strategy and Risk Register, and our understanding of the organisation the Southern Internal Audit Partnership have developed an annual audit plan for the coming year. The audit plan reflects the Council's vision and strategies for example its strategy to commission services, with several audits specifically linked to the 6-Council's Corporate Services Contract, the arrangements with Norse South East and contract management.

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 2019/20

Audit	Scope / Risk
Corporate / Cross Cutting	
Business Continuity Planning / Disaster Recovery	Review corporate and service business continuity / disaster recovery plans ensuring they are complete, current and have been tested so the Council is prepared to respond to emergencies and continue delivering services following a critical event.
Human Resources	Review of HR activities over a three year cycle to include:- <ul style="list-style-type: none"> • Absence management • Recruitment • Training & Development • Workforce Development • Volunteers
Performance Management	Review framework for recording, monitoring and reporting performance of the delivery of strategic objectives.
Project / Programme Management	Review of project management framework and compliance with approved protocols for the delivery of projects on time, within budget and to the required standard.
Partnerships / Partnership Management	Governance and control framework to support the effective management of partnerships and delivery of partnership goals.
Health & Safety	Review that there is an effective H&S strategy in place, that is operating effectively with robust governance, accountability and issue resolution.
Contract Management Arrangements	Review management arrangements with contractors / third parties to ensure agreed outcomes are achieved and performance is in line with agreed standards.
Financial Stability	Review of medium-term financial strategy, budget setting / forecasting process to ensure the Council achieves a balanced budget and financial stability

Audit	Scope / Risk
Corporate Governance	
Fraud & Irregularity	Facilitation of National Fraud Initiative and completion of annual fraud survey.
Information Governance	Review of information governance – cyclical coverage over the audit cycle to include: <ul style="list-style-type: none"> • Compliance with General Data Protection Regulation requirements • Freedom of Information process and performance • Records / document management including retention and secure disposal
Financial Management	
Lease Income	Review framework for lease agreements (new, renewals and reviews), including lease income collection processes.
*Income Collection and Banking	
*Accounts Payable	
*Accounts Receivable / Debt Management	Cyclical coverage to meet external audit / regulatory requirements and management concerns.
*Reconciliations	Coverage in 2019-20 to review how processes have embedded since the introduction of Integra / Pay360.
*Treasury Management	
*Payroll	
Information Technology	
Computer Implementations (Acolaid)	Controls and processes around migrating from one provider to another, ensuring no loss of systems / data, and maintenance of ICT security and continuity.
*IT Security Governance	Review ICT security governance arrangements including user awareness of responsibilities for security of data and incident management.

Audit	Scope / Risk
*IT Asset Management	Audit of processes to ensure the secure removal of data from assets which move away from HBC at end of life and assurance that the Council are only being charged for the assets they use.
*IT Risk Management	Review how the Council obtain assurance from Capita that IT risks are being managed.
Corporate Objectives	
Regeneration / Economic Development	Review of the governance framework supporting the achievement of the Council's Regeneration Policy.
Norse South East - Governance	Strategic governance review of the arrangements with Norse South East including performance frameworks
Norse South East – Transition / Mobilisation	Review of the transition and mobilisation of the provision of environmental services ensuring service levels are maintained
Animal Welfare – Licensing	Review of licencing compliance with Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 (effective from 1 October 2019).
Licensing	Assurance over safeguarding checks, income collection, the application process and monitoring.
Environmental Health	Review of enforcement of legislation (Environmental Protection Act) including robustness of fly-tipping prosecution process.
Developer's Obligations / CIL	Review of controls and processes for developer's obligations / CIL including identification, collection and expenditure of contributions.
Food Safety	Review of annual return (Local Authority Enforcement Management Systems) – Food Hygiene Warnings.
Other	
Management	Planning, liaison, reporting, audit committee, external audit, advice
Total days	380

* Reviews related to the Six Council Partnership that will cover HBC and EHDC, which are included in both Council's audit plans.