

Internal Audit Plan

2020-21

Havant Borough Council

Havant
BOROUGH COUNCIL

**Southern Internal
Audit Partnership**



Assurance through excellence
and innovation

Contents

Introduction	.....	2
Your Internal Audit Team	.....	3
Conformance with Internal Audit Standards	.....	3
Conflicts of Interest	.....	3
Developing the internal audit plan 2020-21	.....	4
Internal Audit Plan 2020-21	.....	5 - 7

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 the 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 by Mark Norton, Interim 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

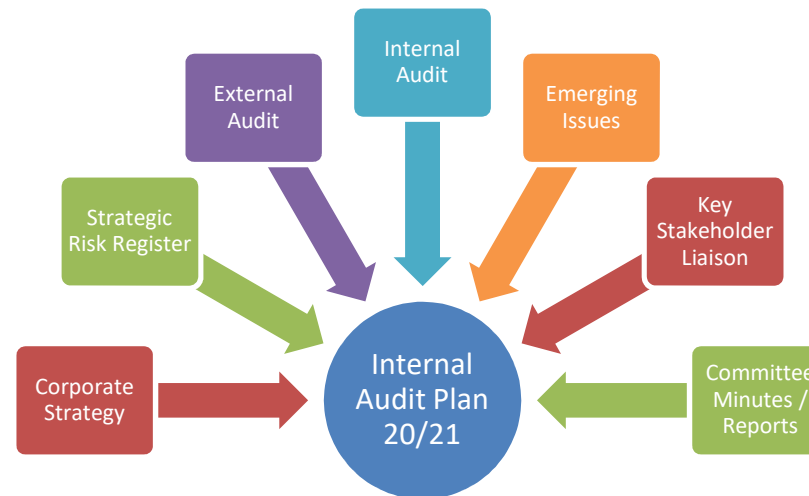
We are not aware of any relationships that may affect the independence and objectivity of the team, which are required to be disclosed under internal auditing standards.

Developing the internal audit plan 2020/21

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 changing landscape.

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 Risk Register, and our understanding of the organisation the Southern Internal Audit Partnership have developed an annual audit plan for the coming year.

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 2020/21

Audit	Indicative scope
Corporate / Governance	
Asset Management	Review of the arrangements in place to deliver the key objectives within the Asset Management Strategy (including the results of the 2019 CIPFA peer review and corresponding management actions).
Performance Management	Review of the revised Performance Management Framework for recording, monitoring and reporting performance of the delivery of strategic objectives, including links to the Transformation Programme.
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, including links to the delivery of the Transformation Programme.
Partnerships / Partnership Management	Review of the governance and control framework to support the effective management of partnerships and delivery of partnership goals.
Norse South East - Governance	Governance review of the arrangements with Norse South East including performance frameworks.
Contract Management Arrangements	Review of management arrangements with contractors / third parties to ensure agreed outcomes are achieved and performance is in line with agreed standards.
Financial Stability	Annual review to include, over the audit cycle, medium-term financial strategy, budget setting / forecasting process and in year budget monitoring to ensure the Council achieves a balanced budget and financial stability. 20/21 focus on budget monitoring.
Fraud & Irregularity	Facilitation of National Fraud Initiative and completion of annual CIPFA fraud survey.

Audit	Indicative scope
Human Resources	
Human Resources	<p>Review of all HR activities over a three year cycle to include:-</p> <ul style="list-style-type: none"> • Absence Management • Recruitment • Training & Development • Use of Volunteers <p>20/21 audit plan includes a provision for two HR audits, which will include workforce development/organisational design review.</p>
Financial Management	
Business Rates	Cyclical coverage to meet external audit / regulatory requirements.
Income Collection and Banking	
Accounts Payable	
Accounts Receivable / Debt Management	Coverage to meet external audit / regulatory requirements. Annual reviews until processes have become embedded.
Reconciliations	
Treasury Management	
Payroll	
Information Technology	
Hosted IT Services	A review of the Council's preparations to move hosted services to SaaS (Software as a Service) platforms as part of the transformation programme.

Audit	Indicative scope
Cyber Attack Response Pathway	A review of the end to end process from the user response to resolution of a cyber security incident.
Service Continuity Planning (Loss of IT)	A review of how services are accounting for the loss of IT in their continuity plans, whether plans have been updated to reflect the current IT landscape and increased reliance on connectivity to the internet.
Service / Other Reviews	
Regeneration	Review of the governance framework supporting the achievement of the Council's Regeneration Policy and the management of the delivery of the projects to support this.
Building Control	20/21 audit to include whether the objectives outlined within the Business Case for the implementation of a new system have been met.
Management	
Management	Provision for management time including annual planning, liaison, reporting, audit committee and advice.
Total days	300