

Internal Audit Plan 2021-22

Havant Borough Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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Introduction

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’.

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 Strategic Directors and Audit Sponsors, 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 Mark Norton, 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 2020 the Institute of Internal Auditors (IIA) completed an external quality assessment of the Southern Internal Audit Partnership. 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.'

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 Strategy

Havant Borough Council's 'Corporate Strategy 2020 to 2024' states: 'Our Purpose is to enhance the lives of our residents, businesses and visitors. We will achieve our purpose by concentrating on five themes from now until 2024:

- 1) An environmentally aware and cleaner Borough
- 2) A safe environment, healthier and more active residents
- 3) A thriving local economy
- 4) A revitalized borough with infrastructure that meets our ambitions
- 5) A sustainable Council.

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 Purpose and five underlying themes. 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.

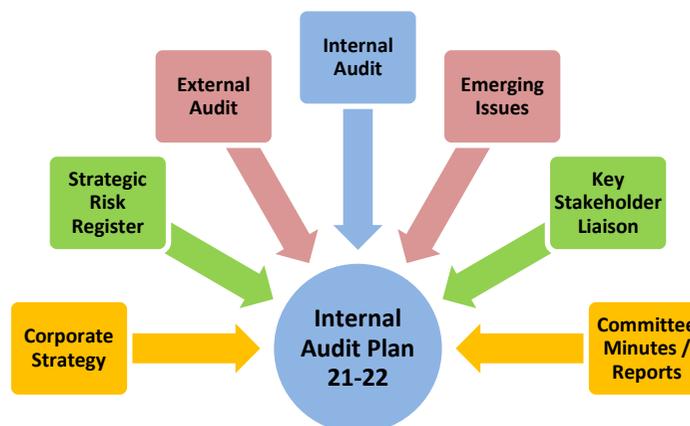
Developing the internal audit plan

We have used various sources of information and discussed priorities for internal audit with:

- Lydia Morrison – Chief Finance Officer and Director of Corporate Services
- Matthew Tiller – Head of Finance
- Heads of Service
- Executive Board
- Audit and Finance Committee.

Based on these conversations with key stakeholders, a review of key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed an annual audit plan for 2021-22.

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 2021-22

Audit Review	Indicative scope	Corporate Priority	Last Audited	Timing
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).	5	-	Q2
Health & Safety	Review of the effectiveness of the ongoing COVID-19 secure working arrangements and remote working provisions.	2	2019-20	Q1
Risk Management Arrangements	Assurance over the risk management framework including governance, transparency and maturity.	All	2018-19	Q2
Procurement Arrangements	Review of the implementation of the in-house corporate contract procurement arrangements.	All	2018-19	Q4
Contract Management Arrangements	Review of the implementation of the in-house corporate contract management arrangements.	All	2019-20	Q4
Financial Stability	Coverage over a three-year cycle to include medium-term financial strategy; budget setting / forecasting process; and in year budget monitoring to ensure the Council achieves a balanced budget and financial stability. 2021-22 focus on budget monitoring.	All	2020-21	Q3
Fraud Framework	Facilitation of the National Fraud Initiative exercise.	-	On-going	On-going
Human Resources	Coverage over a three-year cycle to include: - <ul style="list-style-type: none"> • Workforce strategy & planning • Training & development 	All	2020-21	Q3

Audit Review	Indicative scope	Corporate Priority	Last Audited	Timing
	<ul style="list-style-type: none"> • Recruitment • Performance management • Wellbeing & absence management • Use of agency staff/volunteers. 			
COVID-19 Business Grants	Review of the processes and systems in place for managing applications, payments and financial reconciliations.	All	-	Q1
Income Collection and Banking	Cyclical coverage of core systems to meet legislative requirements.	All	2019-20	Q3
Accounts Payable		All	2019-20	Q3
Accounts Receivable / Debt Management		All	2019-20	Q3
Treasury Management		All	2019-20	Q4
Council Tax		All	-	Q2
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.	All	-	Q4
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.	All	-	Q2
IT Device Management	Review of the controls in place to ensure IT devices are kept up to date with security and functionality releases.	All	-	Q1

Audit Review	Indicative scope	Corporate Priority	Last Audited	Timing
SharePoint Data Migration	Assurance over the data cleansing and migration plans for the transfer to SharePoint as the Council's document management system.	All	-	TBC
Planning Enforcement	Review of revised operational processes, including integration with Neighbourhood Quality Team and new triage process.	2, 3	-	Q2
Disabled Facilities Grants	Assurance over the administration and awarding of grants in line with local / legislative requirements.	2	-	Q1
Homelessness	Assurance that there is effective control to deliver strategic objectives and legislative requirements.	3	-	Q3
Planning / Development Management	Assurance over areas such as planning process, Community Infrastructure Levy, S106 agreements / developer obligations	2,3	2018-19	Q2
Open Spaces / Tree Management	Assurance over the maintenance and management of open spaces. 2021-22 focus on tree management/ash die back.	1,2	-	Q1
Certification work	Certification/final accounts audit work as required including COVID -19 related grants requiring certification.	-	-	-
COVID-19 Response	Provision for audit review(s) in direct response to the pandemic / as a result of changes to operating models enforced or enabled by remote working.	All	-	-
Audit Management	Planning, reporting, monitoring, liaison and advice			
Total days				300