
Southern Internal Audit Partnership

Assurance through excellence
and innovation

HAVANT BOROUGH COUNCIL INTERNAL AUDIT PLAN 2023-24 (Draft)

Prepared by: Antony Harvey, Deputy Head of Partnership

September 2023

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 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 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 strategic lead will be Antony Harvey, Deputy Head of Partnership, supported by 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 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 (IPPF).

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

'The mandatory elements of the 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.

Developing the Internal Audit Plan 2023-24

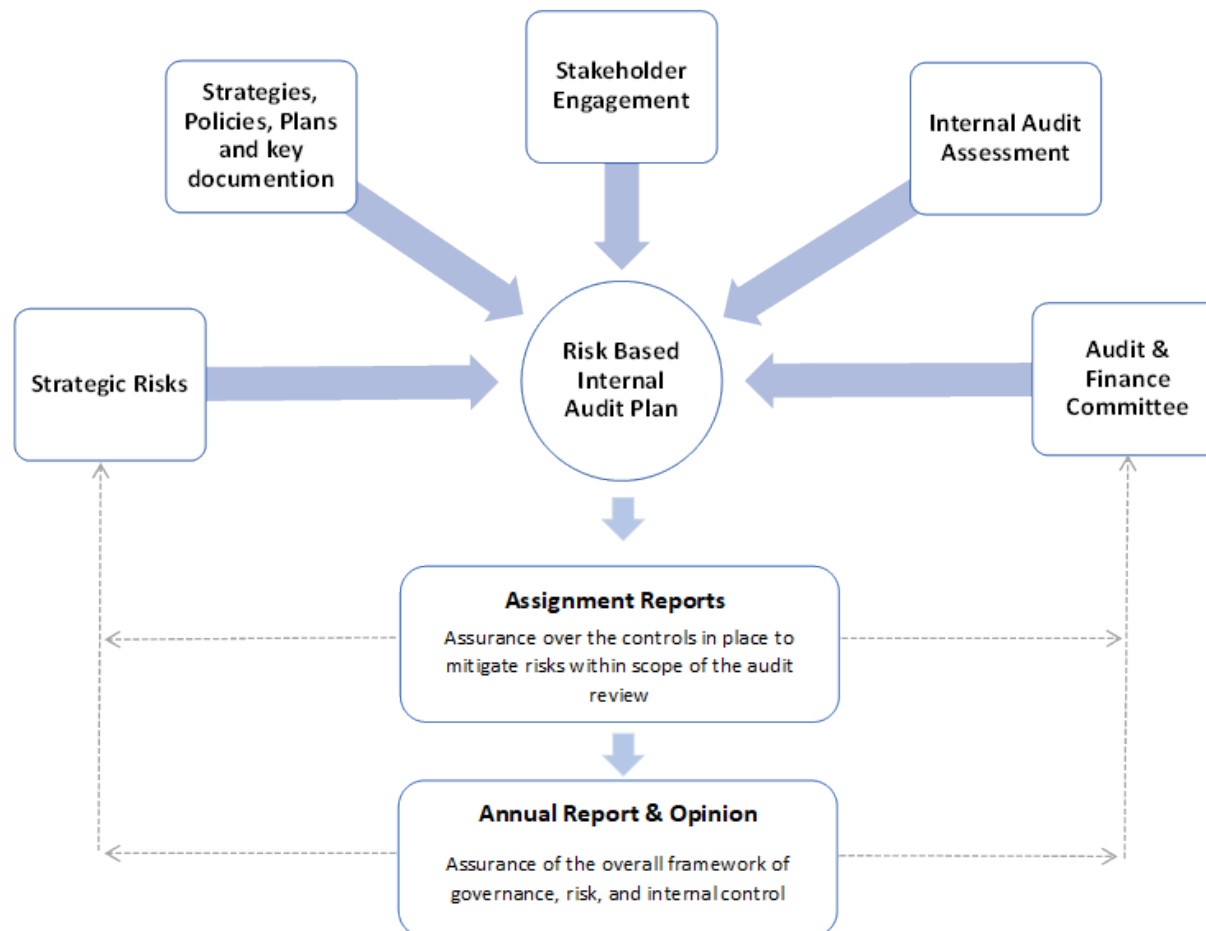
In accordance with the Public Sector Internal Audit Standards there is a requirement that internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals.

Following agreement of the Illustrative Internal Audit Coverage 23-24 to 25-26 in July 23, and based on conversations with key stakeholders, review of risk registers, key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed an audit plan for the remainder of 23-24.

Audit planning is a perpetual process throughout the course of the year to ensure we are able to react to new and emerging risks and the changing 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.



Internal Audit Plan 2023-24

| Audit Review | Audit Sponsor | Indicative Scope | Proposed Timing |
|---|---------------|---|---|
| Governance | | | |
| Financial Stability | CFO | 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. | Q TBC |
| Contract Management (Norse Governance Arrangements) | EHoC | Assurance over the governance arrangements to manage the Norse SE Environmental Services Joint Venture. | Q TBC |
| Property/Asset Management | EHoC | Assurance over the arrangements to manage the Council's commercial properties including the implementation of the peer review actions and proposed new Property Asset Management System. 2023-24 focus on Lease Income. | Complete |
| Strategic / Service Planning and Performance Management | CX | Cyclical assurance over the arrangements to ensure Strategic and Service Plan objectives are realised and performance is managed. 2023-24 focus on how the refreshed Corporate Strategy is reflected within Service Plans and performance reported accordingly. | Q4 |
| Health and Safety | CX | Assurance that there are appropriate arrangements to manage Health and Safety with effective assessments, accountability and issue resolution. | Q TBC |
| Information Governance | EHoIS | <p>Cyclical assurance over the Council's Information Governance arrangements to ensure compliance with legislative requirements including:-</p> <ul style="list-style-type: none"> • Compliance with GDPR • Records management and retention • FOI / SAR / EIR <p>The 2023-24 plan includes a provision for two reviews. Information Governance (General Framework) and a detailed review of Records Management and Retention.</p> | <p>General Framework – Complete</p> <p>Records Mgmt. Q4</p> |
| Fraud Framework – NFI | CX | Facilitation of the Council's obligations for participation in the National Fraud Initiate. | Q1-4 |

| Audit Review | Audit Sponsor | Indicative Scope | Proposed Timing |
|-------------------------------------|---------------|---|-----------------|
| Human Resources | EHoIS | Assurance against key services / risk over a cyclical period, to include: <ul style="list-style-type: none"> • Workforce Strategy • Performance Management • Absence Management • Recruitment • Training & Development • Use of Agency Staff (2023-24 focus) • Use of Volunteers | Q3 |
| IT | | | |
| Cyber Awareness | EHoC | Review of the arrangements to ensure all staff are aware of their obligations for maintaining cyber security. | Q3-4 |
| Cloud Provisioning | EHoC | Assurance over the framework and associated due diligence checks for moving systems to the cloud. | Q4 |
| Finance | | | |
| Benefits | EHoC | Cyclical review as a key financial system. | Complete |
| Accounts Receivable/Debt Management | CFO | Cyclical review as a key financial system. | Q TBC |
| Service Reviews | | | |
| Homelessness | EHoR&C | Assurance over the arrangements to prevent homelessness and rough sleeping / reduce temporary accommodation usage. | Q TBC |
| Parking and Enforcement Management | EHoR&C | Assurance over the processes and systems to manage the Council's statutory obligations for Parking and Enforcement, including income collection. | Q TBC |
| Management | | SIAP reports to HBC. Follow-up of agreed actions. Audit forward planning. Liaison | Q1 – Q4 |