



Internal Audit Plan

2019-2020

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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’ (CIPFA and IIA).

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 and 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 achievements of the organisations 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:

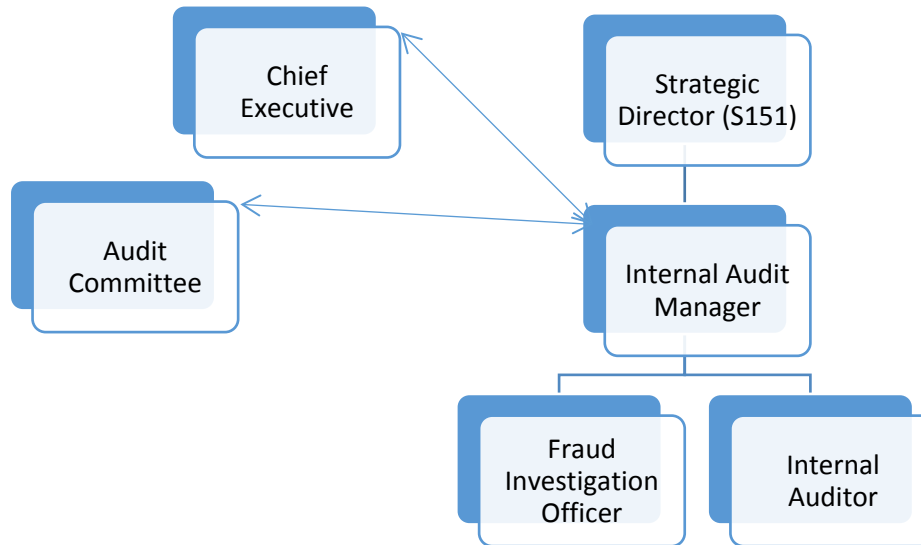
- The framework of internal control, risk management and governance is appropriate and operating effectively; and
- Risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level

The internal audit plan provides the mechanism through which the Chief Audit Executive (Internal Audit Manager at WBC) 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 subject to ongoing 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 Internal Audit Manager’s continued contact and liaison with those responsible for the governance of the Council and the Audit Committee as included in the Audit Committees Terms of Reference.

Your Internal Audit Team

Your internal audit service is provided by the in-house team and supported by the external resource of the Southern Internal Audit Partnership (SIAP). The in-house team is lead by Gail Beaton, Internal Audit Manager, supported by Paul Darcy, Internal Auditor and Jose Ribeiro, Housing Fraud Investigation Officer. The resourcing of the plan will be supported by the services of Southern Internal Audit Partnership (SIAP), setup and supported by Winchester City Council, lead by Neil Pitman, Head of Southern Internal Audit Partnership.



Conformance with internal auditing standards

Under the conformance of the Public Sector Internal Audit Standards (PSIAS) there is a requirement for audit services to have an external quality assessment every 5 years. Our new contractors, SIAP, have undergone this assessment in 2015 which was completed by the credible source of the Institute of Internal Auditors the authors of the standards and the lead internal audit authority nationally and internationally the IIA were the ideal assessors.

To enable the changes now in place for the provision of this Internal Audit service delivery as a whole, it is proposed that the in house service will be assessed against the PSIAS later in 2019/20.

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.

The Waverley Borough Corporate Strategy

The Waverley Corporate Strategy sets out how the council plans to shape its services for the next five years (2018-2023). It contains the Council's vision for Waverley and what it is trying to achieve for its residents and for the borough. The Waverley corporate Strategy is underpinned by the Council's key priorities themes and goals:



Place



People



Prosperity

Council Risk

The council have a clear framework and approach to risk management which has involved members and officers working together to determine the authorities risk appetite. 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

The plan has been developed by the Internal Audit Manager, by completing a risk assessment of the councils audit universe (Auditable areas in the Council) and in consultation with Head of Services. Reference was also made to the Corporate Strategy and the council Risk Register which has only recently been redevise as part of developing and agreeing the Councils risk appetite. We have utilised various sources of information and discussed priorities for internal Audit with the Section 151 Officer (Strategic Director). The audit plan reflects the Council's vision and strategies.

The Council is 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.

Internal Audit Plan 2019/20

Audit	Risk	Scope
Corporate/Cross Cutting		
Ethics including Declaration of Interests	Failure to identify, declare relationships with third parties that may impede judgement.	Review of controls and process for the declaration and recording of interests with third parties.
Financial Management		
Recovery of debts (including Write Offs)	Cyclical coverage of core financial systems to meet external audit/regulatory requirements, and management concerns.	Reviews will cover key controls
Payroll		
Main Accounting		
Reconciliations		
Construction Industry Scheme (CIS)	Financial/reputational loss	Follow up of review completed in 2017/18

Information Technology		
IT Fraud Risk Assessment	Reputation/loss of data	Review that controls in place to safeguard against fraudulent practices.
Firewalls/Cloud Security	Reputation/loss of data	Review the service setup against best practice requirements to maintain and safeguard the corporate network
Applications system in service areas		
Agresso/Orchard Interface	Financial/reputational loss	Review of the process in place
Corporate Objectives		
Gas Maintenance in Waverley Properties	Health & safety/ reputational loss	Review of inspection process, document retention and action plan re issues identified requiring action.
Legionella checks re Waverley Property Ownership		
Asbestos Exposure in Waverley Properties (HRA and GF)		
Air Quality	Reputation and financial loss	Follow up of the audit review completed in 2017/18 re the new processes in place.
Housing Kitchen & Bathrooms Replacement programme	Reputations and financial loss/quality not achieving contract standards	Review of the process operating to maintain quality of product within the agreed standards and price commitment

Responsive repairs and voids – new contact	Reputations and financial loss/quality not achieving contract standards	Review the control process in operation
Service Charges - Leasehold Flats	Reputation and financial loss	Review of the control processes in operation
Private Sector Housing (HMO)	Poor private sector housing standards/reputational loss.	Review of Health & Safety/houses of multiple occupancy (5 or more occupants) inspection process.
Disability Facilities Grants Private Sector Housing	Financial and reputational loss	Review of the controls and processes for the awarding of grants to third parties.
Events and Filming	Reputation and financial loss	Review of the control processes in place to ensure all opportunities and income generated is accurately accounted for.
Borough Hall	Reputation and financial loss	Review of the control processes and procedures in place to ensure all activities are accurately recorded and accounted for.
Vending Machines	Financial and reputational loss	Review of the control processes in place to ensure all income and stocks are accurately accounted for.
Planning Enforcement	Reputational Loss/ Planning requirements/restrictions not achieved	Review of the process in operation relating to planning enforcement matters.
Community Infrastructure Levy (deferred from 2018/19)	Reputational and financial loss/ planning needs not met	Review of controls and processes for developers/CIL including identification, collection and expenditure of contributions.
Other		
Fraud and Irregularities	Ineffective procedures to detect/mitigate fraud and irregularity or to promote a zero tolerance culture	To operate in line with best practice <ul style="list-style-type: none"> • Proactive • Reactive

Annexe 1 Proposed Internal Audit Plan 2019-20 | 2019-20

		<ul style="list-style-type: none">• NFI• SCFP• Fraud Surveys
Management	Planning, Liaison, Reporting, Audit Committee, External Audit Advice.	
Contingency		
Total Days 400		