



Proposed Internal Audit Plan

2020-2021

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Contents

Introduction

Your Internal Audit Team

Conformance with Internal Audit Standards

Conflicts of Interest

Council Corporate Strategy

Council Risk

Developing the Internal Audit Plan 2020-21

Internal Audit Plan 2020-21

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

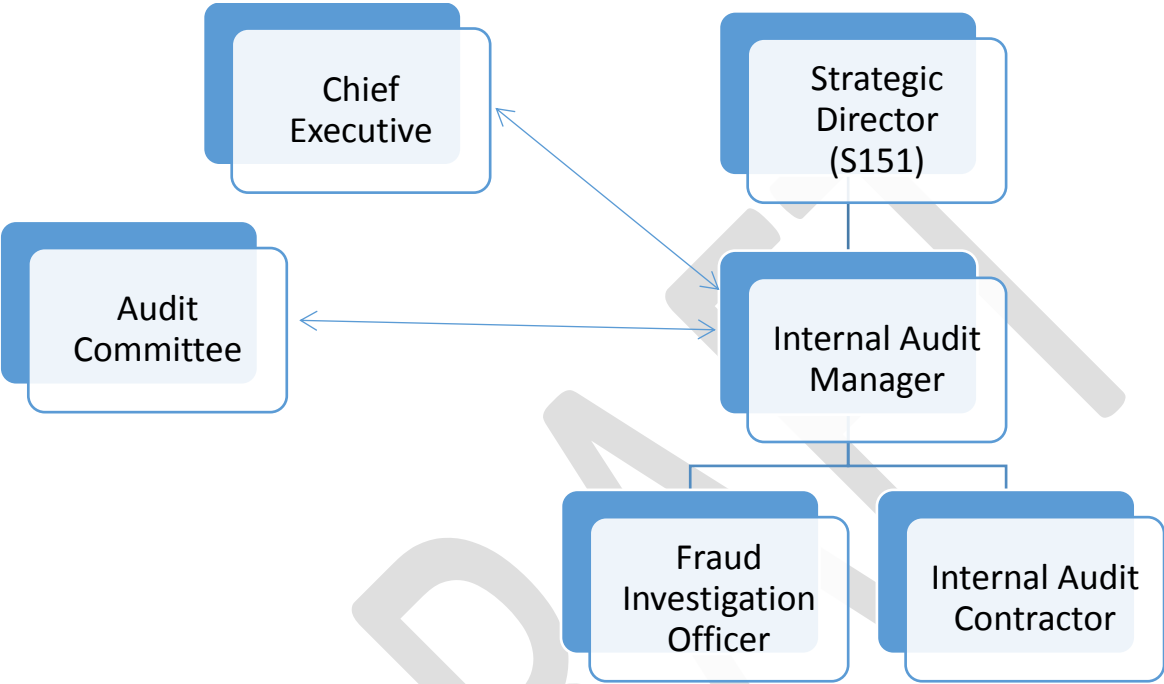
The internal audit plan provides the mechanism through which the Chief Audit Executive (Internal Audit Manager at WBC) can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

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 and Investigation 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 led by Gail Beaton, Internal Audit Manager 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, led by Neil Pitman, Head of Southern Internal Audit Partnership. The in-house team will continue to work in partnership with the Surrey Counter Fraud Partnership, which includes all Surrey Authorities with an appetite to combat fraud, to share best practice and collaborate on the identification and investigative technics.

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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. A new assessment will be completed in the next couple of years.

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.

Council's Corporate Strategy

As part of the Council's Corporate Strategy our vision is for the council to promote and sustain:

- Open, democratic and participative governance
- A financially sound Waverley, with infrastructure and services to fit for the future
- A value and worth of all residents, regardless of income, wealth, age, disability, race, religion, gender or sexual orientation
- High quality public services accessible for all, including sports, leisure, arts, culture and open spaces
- A thriving local economy, supporting local businesses and employment
- Housing to buy and rent, for those at all income levels
- Responsible planning and development, supporting place-shaping and local engagement in planning policy
- A sense of responsibility for our environment, promoting biodiversity and protecting our planet

The audit service will support the achievement of the vision through the work that will be completed to provide assurance that controls are in place to support and enhance the service outcomes contributing to the corporate vision.

Council Risk

The council have a clear framework and approach to risk management which has involved members and officers working together to determine the authority's 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 2020/21

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) in consultation with Senior Management Team and Management Board. Reference was also made to the Corporate Strategy and the council's Risk Register 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.

Proposed Areas to be covered in the Internal Audit Plan 2020/21

Audit	Risk	Scope
Corporate/Cross Cutting		
Ethics including Declaration of Interests, gifts and Hospitality (Deferred from 2019/20)	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.
Safeguarding	Failure to comply with statutory requirements	Review the processes and control re the reporting of instances especially to other interested third parties such as Surrey County Council
Health & Safety	Failure to comply with statutory requirements	Review the Health & Safety policies and procedures in operation throughout the council to ensure consistency is being applied in relation to council office buildings and those managed by Housing Services.
Financial Management		
Payroll (Deferred from 2019/20)	Cyclical coverage of core financial systems to meet external audit/regulatory requirements, and management concerns.	Reviews will cover key controls
Main Accounting (Deferred from 2019/20)	Cyclical coverage of core financial systems to meet external audit/regulatory requirements, and management concerns.	Reviews will cover key controls
Car Parking Income and PCN Write Offs	Cyclical coverage of core financial systems to meet external audit/regulatory requirements, and	Review of the controls over the collection of income and the process of writing off PCN.

	management concerns.	
Rent Collection	Failure to comply with Collection policy could be detrimental to tenants in particular with changes re universal credit.	Review will cover key control and application of the agreed collection policy
Information Technology		
Systems Administrator Activities	Reputation/loss of data	Review that controls in place to safeguard against fraudulent practices.
IT Inventory Control and Licensing for Software	Reputation/loss of data	Review the service setup against best practice requirements to maintain and safeguard the corporate network
Applications system in service areas		
BACS Process	Financial/reputational loss	Review of the process in place
Service Areas		
Service Charges - Leasehold Flats(Deferred from 2019/20)	Reputation and financial loss	Review of the control processes in operation to ensure all appropriate charges are recharged to leaseholders
Disability Facilities Grants Private Sector Housing (Deferred from 2019/20)	Financial and reputational loss	Review of the controls and processes for the awarding of grants to third parties.

Film and Events (Deferred from 2019/20)	Reputation and financial loss	Review of the control processes in place to ensure all opportunities and income generated is accurately accounted for.
Property Investment (Deferred from 2019/20) Proposal to replace with Compliance monitoring for council owned buildings.	Financial/reputational loss	The property Investment review was deferred from 2019-20 due to the lack of property acquisitions activity. As no property acquisitions have taken place it is proposed to replace this review with an assessment of Waverley's compliance with new guidelines produced by CIPFA on the authority's statutory, regulatory and corporate responsibilities and duties for the management of buildings under our ownership.
Planning Housing Delivery Monitoring Process (Deferred from 2019/20)	Reputation and financial loss	Review the completeness and accuracy of the information prepared and provided to external third parties.
Gas Servicing of boilers in council homes	Safety of tenants and reputational/financial loss	Review compliance of the servicing policy and documentary evidence is held to support results of the service completed.
Repair Recharges for Void properties to vacating tenants	Reputation and financial loss	Review process in place re tenant awareness of their responsibilities, recharges are accurate and timely.
Decant and Demolition of council homes - process	Financial loss	Review process in place to ensure that policy is accurately applied and notification of any change in property status is notified to all those with an interest including for example Finance (re council tax), utility provider (Gas and Electricity) etc.
Other		
Fraud and Irregularities	Ineffective procedures to detect/mitigate fraud and irregularity	To operate in line with best practice <ul style="list-style-type: none"> • Proactive

	and to promote a zero tolerance culture	<ul style="list-style-type: none"> • Reactive • NFI • SCFP • Fraud Surveys
Management	Planning, Liaison, Reporting, Audit Committee, External Audit Advice.	
Contingency		

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