



2020-2021 INTERNAL AUDIT PLAN PROGRESS REPORT

Contents:

1.	Role of Internal Audit	3
2.	Purpose of report	4
3.	Performance Dashboard	5
4.	Analysis of ‘Completed’ audit reviews	7
5.	Planning and resourcing	8
6.	Rolling work programme	9
7.	Adjustments to the Plan	13
8.	Budget Expenditure to date	13

1. Role of Internal Audit

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 organisations’ objectives.

2. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Audit Executive is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Internal Audit Manager’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The contractor has adopted the new CIPFA recommended standard terminology and definitions to be used in internal audit engagements across the whole Public sector and for a standard set of opinions and supporting definitions for internal audit service provider to use. This has resulted in minor amendments to those previously used by Southern internal Audit Partnership and adopted by the internal inhouse provision in accordance with best practice.

The recommended CIPFA classifications:-

Substantial A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

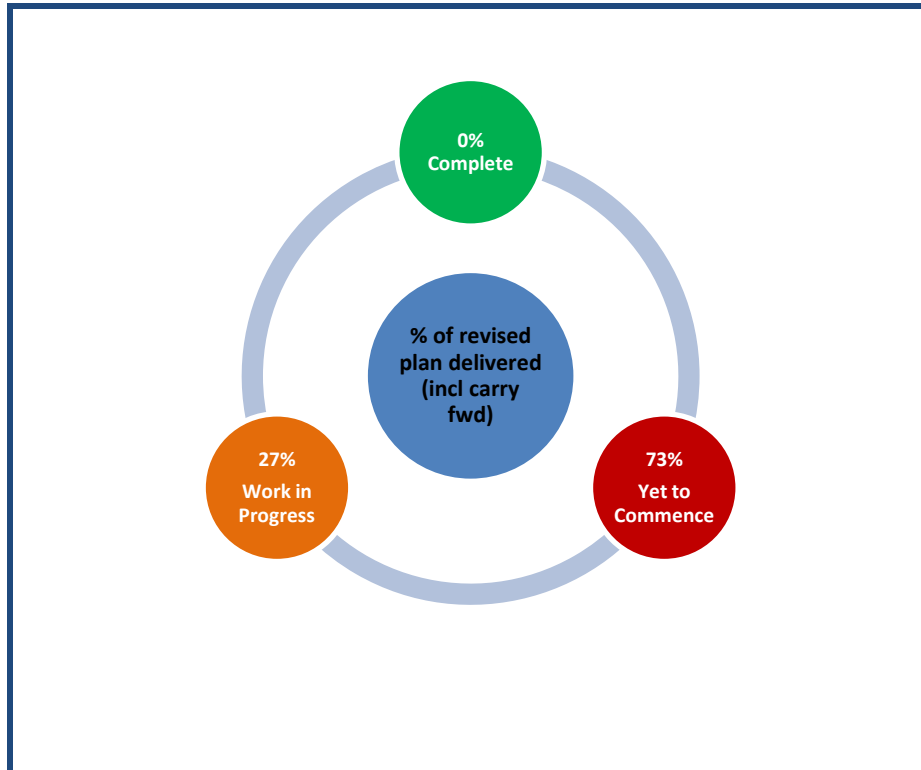
Reasonable There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited

Limited Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited

No Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system

of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards



An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2015. The report concluded:

'It is our view that the Southern Internal Audit Partnership 'generally conforms' to all of the principles contained within the International Professional Practice Framework (IPPF); Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LGAN).

In accordance with PSIAS, a further self assessment was completed in April 2018 concluding that the Southern Internal Audit Partnership continues to comply with all aspects of the IPPF, PSIAS and LGAN. A new assessment is planned for 2020-21.

4. Analysis of ‘Completed’ audit plan reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions					Priority				
				Total Rec's Reported	Not Accepted	Not Yet Due	Complete	Overdue	L	M	H		

HOF&P	<i>Head of Finance and Property - Peter Vickers</i>	HOBT	<i>Head of Business Transformation - David Allum</i>
HOP&G	<i>Head of Policy and Governance - Robin Taylor</i>	HOHO	<i>Head of Housing Operations - Hugh Wagstaff</i>
HOCS&SP	<i>Head of Commercial Services - Kelvin Mills</i>	HOHD&C	<i>Head of Housing Delivery & Communities - Andrew Smith</i>
HOES	<i>Head of Environmental Services - Richard Homewood</i>	HOP&ED	<i>Head of Planning and Economic Development – Zac Ellwood</i>
CEO	<i>Chief Executive - Tom Horwood</i>	SD Director/s	<i>Strategic Directors - Graeme Clark/Annie Righton</i>

5. Planning & Resourcing

The internal audit plan for 2020-21 was approved by the Audit Committee in March 2020.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Section 8 details the reviews that have been added to the original plan approved in March 2020. Progress against the plan is detailed below in section 6 for those reviews not already included in Para 4 above.

6. Rolling Work Programme

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
INFORMATION TECHNOLOGY											
IT Inventory Control and Licensing for Software (C)	HOBT	H	5	Q3							
APPLICATIONS SYSTEMS IN SERVICE AREAS											
BACS Process(C)	HOF & P AND OTHER HOS	H	5	Q1/2	✓	✓	✓				
Systems Administrator Activities (C)	ALL HOS	H	10	Q3							
KEY FINANCIAL SYSTEM											
Payroll (Deferred from 2019/20) (C)	HOP & G	H	10	Q2/4	✓	✓					
Main Accounting (Deferred from 2019/20) (C)	HOF&P	H	10	Q3/4							
Car Parking Income and PCN Write Offs	HOE& RS	H	10	Q2/4	✓	✓	✓				

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
(C)											
Rent Collection (C)	HOHO	H	7	Q1/2	✓	✓	✓	✓			
Post payment Business Grant compliance(C)	HOF&P	H	10	Q2/4							
SERVICE AREAS											
Service Charges - Leasehold Flats(C)	HOS	H	10	Q3/4							
Disability Facilities Grants Private Sector Housing (IA)	HOHD&C	H	10	Q3/4	✓	✓					
Film and Events (C)	HOCS	M	10	Q3/4							
Planning Housing Delivery Monitoring Process (IA)	HOP&ED	M	15	Q3/4							
Gas Servicing of boilers in council homes(IA)	HOHO	M	5	Q2	✓	✓					
Repair Recharges for Void properties to vacating tenants	HOHO	M	10	Q3/4							

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
process (C)											
Decant and Demolition of council homes process (C)	HOHO	M	10	Q1/2	✓	✓	✓				
CORPORATE/CROSS CUTTING											
Compliance monitoring for council owned buildings. (C)	HOF&P	M	7	Q1/2	✓	✓	✓				
Procurement levels with Suppliers (C)	HOF&P	H	10	Q1/2	✓	✓	✓				
Payments Process for new housing repairs contractor (C)	HOHO	H	10	Q2/3							
Safeguarding (C)	HOHD&C	H	7	Q3/4							
Health & Safety (C)	HOF&P & HOHO	H	7	Q3/4							
Ethics including Declaration of Interests, gifts and Hospitality (C)	HOG&P	H	10	Q4							
Positions with sole responsibility for a	Audit Committee	M	20	Q3/4							

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
service functions data to third parties – Risk mitigation strategies re (IA)											
No of Audit Plan days currently allocated			208								
Days currently allocated to Southern Internal Audit Partnership			158								
AP Days currently allocated to Internal Audit Manager			50								
Resource											

7. Adjustment to the Internal Audit Plan

Audit reviews deferred from the 2020-21 Audit plan

Audit reviews added to the 2020-21 Audit plan

Risk mitigation strategies re Positions with sole responsibility for a service functions including data provided to third Parties re Government or agency returns (AC)

20 Days

Total 20 Days

8. Budget Expenditure to date

Cost Centre R0202 Internal Audit	Budget	Committed/Salaries and NI and service costs.	Remaining Balance	Estimated Number of Audit Days Planned to be delivered (Incl IAM)
Total Internal Audit Budget	£152,000	£74,000	£78,000	400 days

