



## **Internal Audit Plan**

**2021-2022**

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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:

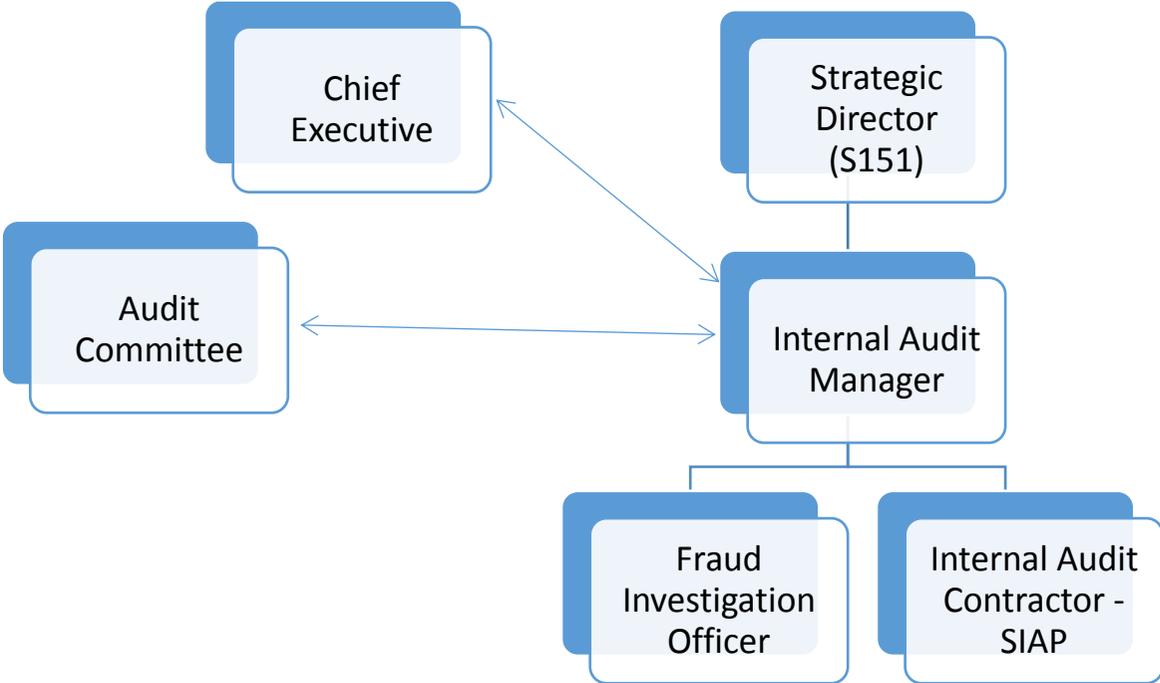
- The framework of internal control, risk management and governance is appropriate and operating effectively; and
- Risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level

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 led by Gail Beaton, Internal Audit Manager and supported by Jose Ribeiro, Housing Fraud Investigation Officer. The resourcing of the plan will be supported by the services of Southern Internal Audit Partnership (SIAP), which was setup and supported by Hampshire County Council, led 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 contractors, SIAP, have undergone this assessment, which was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report 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, and which are required to be disclosed under internal auditing standards.

## Councils Corporate Strategy

As part of the Councils Corporate Strategy our vision is for the council to promote and sustains:

- 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 plant

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 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 2021-22

The plan has been developed by the Internal Audit Manager, by completing a risk assessment of the council's audit universe (Auditable areas in the Council) and in consultation with Senior Management Team. Reference was also made to the Corporate Strategy and the council Risk Register and risk appetite as part of developing the plan. We have utilised various sources of information and discussed priorities for the internal audit plan 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 audit 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 2021/22

Audit	Risk	Scope
<b>Information Technology</b>		
IT Risk Assessment of our current environment (remote working and server capacity etc.)	Reputation/loss of data	Review the current IT environment to identify areas of risk where further work needs to be completed to provide management with assurance that maintains and safeguards the security of the corporate network.
Further reviews to be decided based on the results of the Audit Needs Analysis above	Reputation/loss of data	
<b>Applications system in service areas</b>		
Horizon Planning System	Reputational loss/system vulnerabilities/financial	Post Implementation Review – Product delivered achieves specification requirements with internal controls in place to safeguard the council's systems and reputation.
<b>Financial Management</b>		
Post Payment Business Grant Compliance (C/F 2020-21)	Reputation and financial loss	Provide third party scrutiny and assurance on the process applied for the awarding and processing of Government Covid-19 Grants to external parties in line with government requirements.

Housing Rent Recovery	Reputation and financial loss	Review the implementation and application of the amended rent recovery policy, providing assurance on the accurate application of the revised policy.
Treasury Management	Reputation and financial loss	Review will cover key controls over the management of the financial investment transactions relating to the management of the Councils bank balances.
Council Tax Reduction Scheme	Reputation and financial loss	Review will cover a key area of the process to ensure compliance with legislative requirements in the administration of the scheme for the awarding of reductions for Council Tax accounts.
Collection of Fees and Charges	Reputation and financial loss	Review of the controls over the collection of income, billing and collection at the point of service. How efficient and effective are the processes within each service and are the services using the most effective systems available.
Debt Management	Reputation and financial loss	Review processes in place re adherence with income and debt Management Policy.
<b>Corporate Systems</b>		
Property Terrier	Financial/reputation/safety	Completeness and accuracy of records maintained, verify accuracy of any third party databases where reliance is place re stock condition in the valuation of property in WBC ownership.
Gas Servicing of Boilers in council Homes (re certification of gas checks)	Safety of tenants and reputational/financial loss	Review progress of implementation of improvements from previous year review.

Repair Recharges for Void properties to vacating tenants (C/F 2020-21)	Financial loss	Review process in place re tenant awareness of their responsibilities, recharges are accurate and timely and appropriately applied in accordance with the agreed policy.
Responsive repairs	Safety of tenants and reputational/financial loss	Review process in place to ensure that backlog has been cleared and Customer Service raising repairs orders is working effective and consistently.
Planning Housing Delivery Monitoring Process (C/F 2020-21)	Reputation and financial loss	Review the system in operation to provide assurance that effective monitoring arrangements are in place to report accurate and complete, housing delivery numbers in line with government requirements.
Waste Management (Bin stocks and Stores controls and Missed Bin contractual terms)	Reputation and financial loss	Review the system in operations to ensure effective controls and monitoring arrangements are in place to manage purchase sale and issue of waste bins. Ensure compliance with terms of the contract re the charging the LA for collection of missed bins only where applicable re terms of the contract.
<b>Governance and Cross Cutting reviews</b>		
Health & Safety (C/F 2020-21)	Safety of tenants/Staff/leaseholders and reputational/financial loss	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. Consider the outcomes of the previous review on CIPFA Guide re Council owned property in 2020-21.

Corporate Criminal Offence	Protection of Staff and reputational/financial loss	Review that processes and controls are in place to safeguard Waverley and its officers against Corporate Criminal Offence allegations.
Lone Working Policy	Safety of Staff reputational damage	Review that controls in place to safeguard staff when working alone, processes and procedures are effective to ensure the staff safety register is accurate, up to date and regularly maintained.
Climate Change (Strategic plan, Policy etc.)	Reputation and financial loss	Preparedness, common goals defined, training & awareness of members and staff with expected outcomes clearly defined in the strategy.
<b>Other Audit Activities</b>		
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"> <li>• Proactive</li> <li>• Reactive</li> <li>• NFI – 2021-22 national exercise include COVID Grants</li> <li>• SCFP</li> <li>• Fraud Surveys</li> </ul>
Management		
Contingency		