



Proposed Internal Audit Plan

2022-2023

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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:

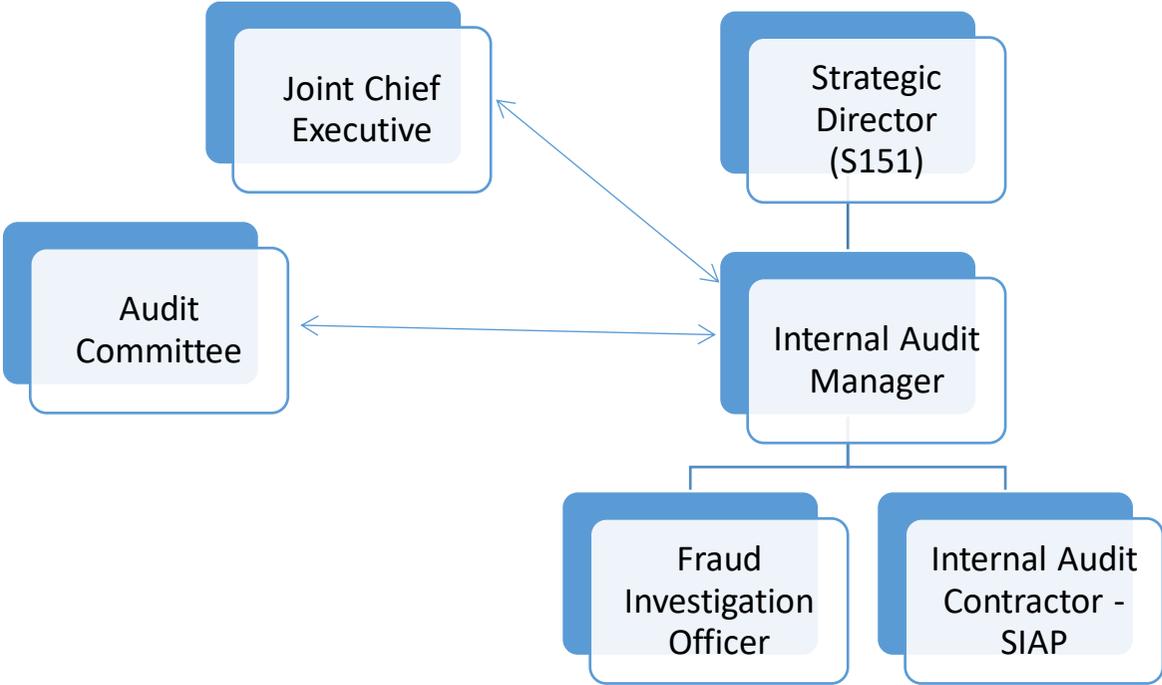
- The framework of internal control, risk management and governance is appropriate and operating effectively; and
- Risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level

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 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 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 2020-25

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

- open, democratic and participative governance
- the value and worth of all residents, with opportunities for all, regardless of race, age, disability, religion, gender or sexual orientation, income or wealth
- high quality public services accessible for all
- a financially sound Waverley, with infrastructure and resilient services to fit for the future
- a strong, resilient local economy, supporting local businesses and employment
- housing to buy and rent, for those at all income levels
- effective strategic planning and development management which supports the planning and infrastructure needs of local

- a sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet
- the health and wellbeing of our communities

Our strategic priorities;

- ✓ Local, open, participative government
- ✓ Supporting a strong, resilient local economy
- ✓ Taking action on Climate Emergency and protecting the environment
- ✓ Good quality housing for all income levels and age groups
- ✓ Effective strategic planning and development management to meet the needs of our communities
- ✓ Improving the health and wellbeing of our residents and communities

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 2022-23

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 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 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 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 2022/23

Audit	Risk	Scope
Information Technology		
Assessment of the Cyber Security Protection Measures in place	Reputation/loss of data	Review of cyber security arrangements (including Phishing, Smishing etc.), security controls (including remote access) Cyber Response Plan, Cyber Essentials Scheme
IT Business Continuity Disaster Recovery Planning	Reputation/loss of data	Effectiveness of planning to protect the organisation from the effects of significant negative events, allowing the organisation to maintain or quickly resume mission-critical functions following a disaster.
Applications system in service areas		
Revenues Open Portal	Reputation/loss of data	Assess the access security arrangements and functionality of the portal from a customer experience perspective.
Financial Management		
Creditors	Reputation and financial loss	Assurance that system is operating as intended for the payment of suppliers.
Business Rates (NNDR)	Reputation and financial loss	Assurance that system is operating as intended.

Council Tax Reduction Scheme (B/F 2021-22)	Reputation and financial loss	Review will cover a key area of the process to ensure compliance with requirements in the administration of the scheme in the awarding of reductions for Council Tax accounts.
Main Accounting	Reputation and financial loss	Review of the controls over Journals & Reconciliations (Green Waste and Planning) to Ledger re low code projects.
Refund Process	Reputation and financial loss	Review processes in place to provide assurance on refunds re change to process.
Corporate Systems		
Property Terrier (B/F 2021-22)	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.
Repair Recharges for Void properties to vacating tenants (B/F 2021-22)	Reputation/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.
Mutual Exchanges	Reputational/financial loss	Assess the consistency of process completed in accordance with documented procedures.
Housing Invoice process re Orchard to Agresso	Financial loss	Re authorisation process Job No's on Orchard through to Agresso for Ian Williams new contract as changes have been made to the previous interface that was in place.
Housing Rents – Use and Occupation Accounts	Reputation, Legal and financial loss	Review will cover key controls over the initiating and monitoring of these types of account. Will include Housing Management team and the rents team.

Ground Maintenance	Reputation and financial loss	Management contract terms, including effectiveness of management/performance information and non compliance actions.
Waverley Training Service	Reputation and financial loss	Financial management of the service, locally and supported by Finance
Events and Filming	Reputation and financial loss	Overview of process, including the fees and charges set, collecting of income.
Local Land Charges	Reputation and financial loss	Review the process in the place to achieve the KPI information.
Governance and Cross Cutting reviews		
Anti-social Behaviour	Reputation and financial loss	Review of process re the identification, recording and monitoring of cases including sharing of information with others.
Customer Services Team	Reputation and financial loss	Management information and reports produced to monitor achievements of the corporate service KPI's.
Business Transformation – Project management	Reputation and financial loss	Verification of consistent process being applied and savings achieved clearly documented re assessment of original PID to Outcome/s achieved at close of project.
Asset Management - Information Governance, Data classification, Retention and disposal	Reputation and financial loss	Corporate review to assess the classification and management of data throughout the council.
Risk Management	Reputation and financial loss	We will review the process for identifying, capturing and escalating Strategic and operational risks. We will review the process for managing operational risks, and assess how these interact with the Council's ongoing risk management processes and service plan objectives. For a sample of risks across

		services, we will assess whether they have been scored and managed in line with the Council’s risk management policy and Risk Appetite. We will select a wider sample to assess whether the quality of risk action updates is appropriate, timely, and whether there is evidence to support the implementation of the action relevant to the related Service Plan objectives.
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 • NFI –National exercises incl COVID Grants • SCFP • Fraud Surveys
Audit Management of the service		
Contingency		