



**2023-2024 INTERNAL AUDIT PLAN PROGRESS REPORT**

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## 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.

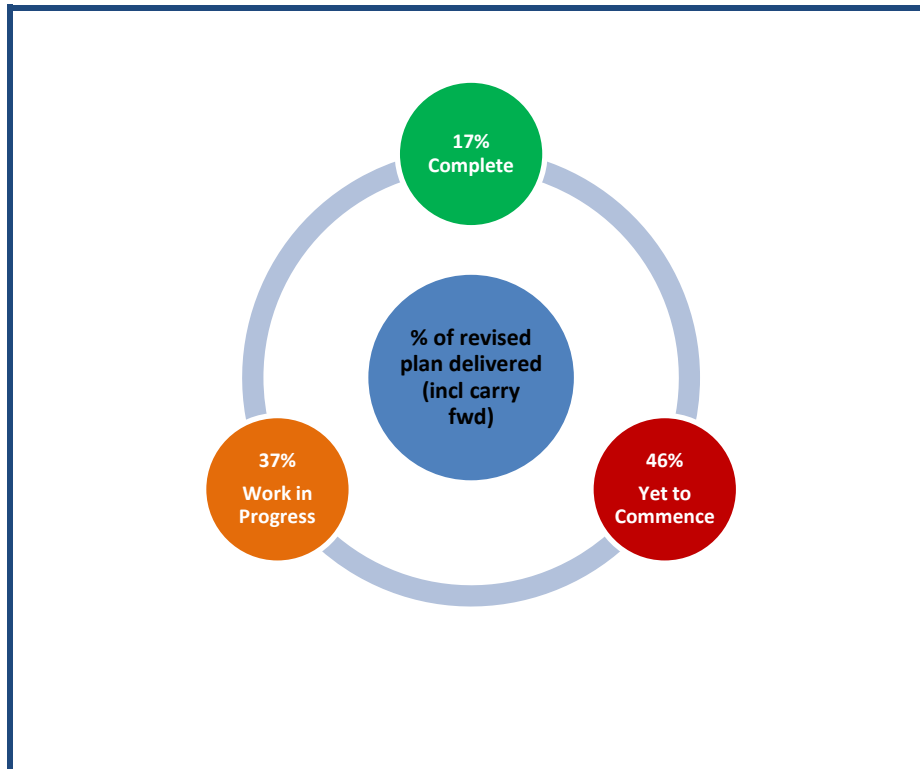
Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The contractor has adopted the new CIPFA recommended 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



% Includes those reviews completed by the contractor in 2023-24 does not include deferred reviews.

### 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 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.'*

#### 4. Analysis of ‘Completed’ audit plan reviews

Audit Review	Final Report Issued Date	Audit Sponsor	Assurance Opinion	Management Actions						
				Total Action Reported	Not Accepted	Not Yet Due	Complete	Overdue Actions		
								L	M	H
Careline (Debt Recovery)	20/10/2023	JEHOCS	Reasonable	5		5				
Mutual Exchanges	24/10/2023	JEHOH	Reasonable	6			6			
Homelessness	06/11/2023	JEHOH	Reasonable	3		3				

#### 5. Planning & Resourcing

The internal audit plan for 2023-24 was approved by the Audit Committee on 13<sup>th</sup> March 2023.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Section 6 details the reviews that have been added/removed/deferred to the original plan approved by the Audit Committee March 2023. Progress against the plan is detailed below in Section 6. This plan will be delivered within the budget allocated as detailed in Section 9 of this report.

## 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
<b>INFORMATION TECHNOLOGY</b>											
IT Business Continuity Disaster Recovery (C)	JEHC&CS	H	0	Q3/4	✓						Deferred to Q1 2024/25
<b>APPLICATIONS SYSTEMS IN SERVICE AREAS</b>											
Adelante (Income Management system) (C)	JEHOF	H	10	Q3/4							
<b>KEY FINANCIAL SYSTEM</b>											
Preloaded Purchase Cards (C)	JEHOF	H	7	Q1	✓	✓	✓	✓			
Account Receivable/Sundry Debtors (C)	JEHOF	H	7	Q1	✓	✓	✓	✓			
Council Tax Base Maintenance (C)	JEHOF	H	10	Q3							
Capital Programme, monitoring and control (C)	JEHOF & JEHOR&PP	H	7	Q4							
Payroll (C)	JEHOOD	H	10	Q2	✓	✓	✓				



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IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
Car Parking PCN's (C)	JEHOCS	H	10	Q2	✓	✓	✓				Increased by 3 days re testing comparable with GBC.
Green Waste (C)	JEHOES	H	10	Q3	✓						
<b>SERVICE AREAS</b>											
Land Charges (C)	JEHOL&DS	H	10	Q4							
Mutual Exchanges (C)	JEHOH	M	7.5	Q1	✓	✓	✓	✓	✓	Reasonable	
Payment process for Repairs and Maintenance Contractor (C)	JEHOH	H	10	Q1	✓	✓					
Homelessness Determinations (IAM)	JEHOH	M	10	Q2	✓	✓	✓	✓	✓	Reasonable	
Property Maintenance (Non - Housing) (C)	JEHOA&P	M	7	Q3							
Leisure Client Management (C)	JEHOCS	M	10	Q4							
Energy Angels (Part of the Void Management process) (IAM)	JEHOH	M	10	Q2	✓	✓	✓	✓	✓	Advisory	Sign off by HOS required

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<b>Gas Maintenance in Waverley Properties (C)</b>	<b>JEHOCS</b>	<b>M</b>	<b>10</b>	<b>Q2</b>	<b>✓</b>	<b>✓</b>				
<b>Aids and Adaptations (Council Owned Properties) (C)</b>	<b>JEHOH</b>	<b>H</b>	<b>7</b>	<b>Q3</b>						
<b>New Home Builds (C)</b>	<b>JEHOR&amp;PP</b>	<b>H</b>	<b>10</b>	<b>Q3</b>						
<b>Careline (Debt Recovery Element) (C)</b>	<b>JEHoCS</b>	<b>M</b>	<b>7</b>	<b>Q1</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>Reasonable</b>
<b>S106 Agreements/Community Infrastructure Levy (C)</b>	<b>JEHOR&amp;PP</b>	<b>H</b>	<b>0</b>	<b>Q3</b>	<b>✓</b>					<b>Deferred to Q2 2024/25</b>
<b>Abandoned Vehicles (C)</b>	<b>JEHORS</b>	<b>H</b>	<b>7</b>	<b>Q3</b>	<b>✓</b>					
<b>Governance and Cross cutting Reviews</b>										
<b>Corporate complaints system</b>	<b>JEHC&amp;CS</b>	<b>M</b>	<b>10</b>	<b>Q2</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>			
<b>Procurement, tendering and contract documentation, sign off process, committee approvals where appropriate</b>	<b>JEHOF</b>	<b>H</b>	<b>13</b>	<b>Q1</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>		Procurement increase by 3 days by Statutory Officers Group Report begin dealt with GPT.
<b>Insurance</b>	<b>JEHOF</b>	<b>H</b>	<b>5</b>	<b>Q2</b>	<b>✓</b>	<b>✓</b>				

<b>No of Audit Plan days allocated</b>	<b>204.50</b>
<b>Days currently allocated to Southern Internal Audit Partnership</b>	<b>185.50</b>
<b>Audit Plan Days currently allocated to the Internal Audit Manager</b>	<b>20.00</b>

Audit Sponsor			
<b>JEHOF</b>	<i>Joint Interim Executive Head of Finance (S151) – Richard Bates</i>	<b>JEHC&amp;CS</b>	<i>Joint Executive Head of Communications and Customer Services - Nicola Haymes</i>
<b>JEHOL&amp;DS</b>	<i>Joint Executive Head of Legal &amp; Democratic Services – Susan Sale</i>	<b>JEHOH</b>	<i>Joint Executive Head of Housing – Andrew Smith</i>
<b>JEHOCS</b>	<i>Joint Executive Head of Commercial Services - Kelvin Mills</i>	<b>JEHOA&amp;P</b>	<i>Joint Executive Head of Assets and Property – Marieke Van Der Reijden</i>
<b>JEHORS</b>	<i>Joint Executive Head of Regulatory Services - Richard Homewood</i>	<b>JEHOP</b>	<i>Joint Executive Head of Planning – Claire Upton Brown</i>
<b>JEHOR&amp;PP</b>	<i>Joint Executive Head of Regeneration &amp; Planning Policy – Abi Lewis</i>	<b>JEHOES</b>	<i>Joint Executive Head of Environmental Services – Chris Wheeler</i>
<b>JEHOCS</b>	<i>Joint Executive Head of Community Services – Sam Hutchison</i>	<b>JEHOOD</b>	<i>Joint Executive Head of Organisational Development – Robin Taylor</i>
<b>JCEO</b>	<i>Joint Chief Executive Officer - Tom Horwood</i>	<b>JSDOT &amp; G</b>	<i>Joint Strategic Director of Transformation and Governance – Ian Doyle</i>
<b>JSDOCW</b>	<i>Joint Strategic Director of Community Wellbeing – Annie Righton</i>	<b>JSDOP</b>	<i>Joint Strategic Director of Place – Dawn Rudd</i>

## 7. Adjustments to the Internal Audit Plan

Audit reviews removed or deferred	
IT Business Continuity Disaster Recovery	10
S106 Agreements/Community Infrastructure Levy	7
<b>17 Total Days</b>	

Audit reviews added to the 2023-24 Audit plan	
Procurement increase in days to cover request by Statutory Officers Group	3
Car parking PCN's increase in days re testing coverage to replicate GBC re HOS comparitives.	3
<b>6 Total Days</b>	

## 8. Other activities to be resourced from the Audit Service

National Fraud Initiative (NFI) - Internal Audit continues to support the NFI which is a biennial data matching exercise administered by the Cabinet Office.

Investigation work required by service areas or to support the HR function.

**9. Budget Expenditure to date**

<b>Cost Centre R0202 Internal Audit</b>	<b>Current Approved Budget</b>	<b>Committed/Salaries and NI and Service Costs.</b>	<b>Remaining Balance at 10/08/2023</b>	<b>Estimated Number of Audit Days Planned to be delivered (Incl all IAM)</b>
<b>Total Internal Audit Budget</b>	<b>£171,700*</b>	<b>£134,500</b>	<b>£37,200</b>	<b>300 Days</b>