



Southern Internal Audit Partnership

Assurance through excellence
and innovation

HART DISTRICT COUNCIL INTERNAL AUDIT PLAN 2023-24

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March 2023

Introduction

The role of internal audit is that of an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s 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 organisation’s 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 Internal Auditor 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 and subject to on-going review and amendment, in consultation with the relevant stakeholders to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership’s continued contact and liaison with those responsible for the governance of the Council.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The strategic lead will be Neil Pitman, Head of Southern Internal Audit Partnership, supported by Jade Lakeland, Audit Manager.

Conformance with Internal Auditing Standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2020 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team 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 which are required to be disclosed under internal auditing standards.

Hart District Council – Corporate Plan 2023 – 2027

Hart District Council have agreed their Corporate Plan for 2023 to 2027 which sets out how the Council intends to play its role in improving, sustaining, and promoting the social, economic, and environmental wellbeing of the communities in Hart District over the next five years.

This is based on the following themes:

Planet - Sustainability and Climate Emergency: A carbon neutral and climate-resilient council by 2035

People – fair treatment for all, help for those in need, and a sustainable economy that makes Hart a great place to live and work

Place - delivering warmer, better homes in sustainable locations that people can afford to live in.

Building a Resilient Council - Your services: getting it right first time and delivering what matters to you

These themes are underpinned by a range of aims and goals to measure the effective outcomes.

Council Risk

The corporate 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.

Area	Description	Risk Score
Financial	Changes to Local Government Funding. Loss of key income stream and subsequent budget implications. Possible loss of government grants Inflation and Cost of living crisis	12
Governance	Poor performance for shared and outsourced services with no consequences. Governance frameworks for shared or outsourced services are not always effective. Governance arrangements for outsourced and shared services are not always robust. Decisions are made outside of the control of the council for services we provide.	4
Employee	Failure to recruit or retain suitably skilled staff Service continuity, delays in service provision to customers both external and internal.	8
Corporate Contracts	A badly run contract can be an expensive and ineffective way to deliver a service. Inflationary uplifts and changes in circumstances may lead to inefficiencies or non-delivery of key services	6
Climate Change	Failure to achieve agreed carbon reduction targets	2
Cyber Security	Cyber Security risks are increasing as everybody makes use of technology as a way of managing sensitive data and business critical functions. Personal data needs to be protected, some of which is held on our behalf by 3rd parties.	12

*extract from Corporate Risk Register (half year review) presented to Overview & Scrutiny Committee (27 September 2022)

We will monitor the corporate 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 2023/24

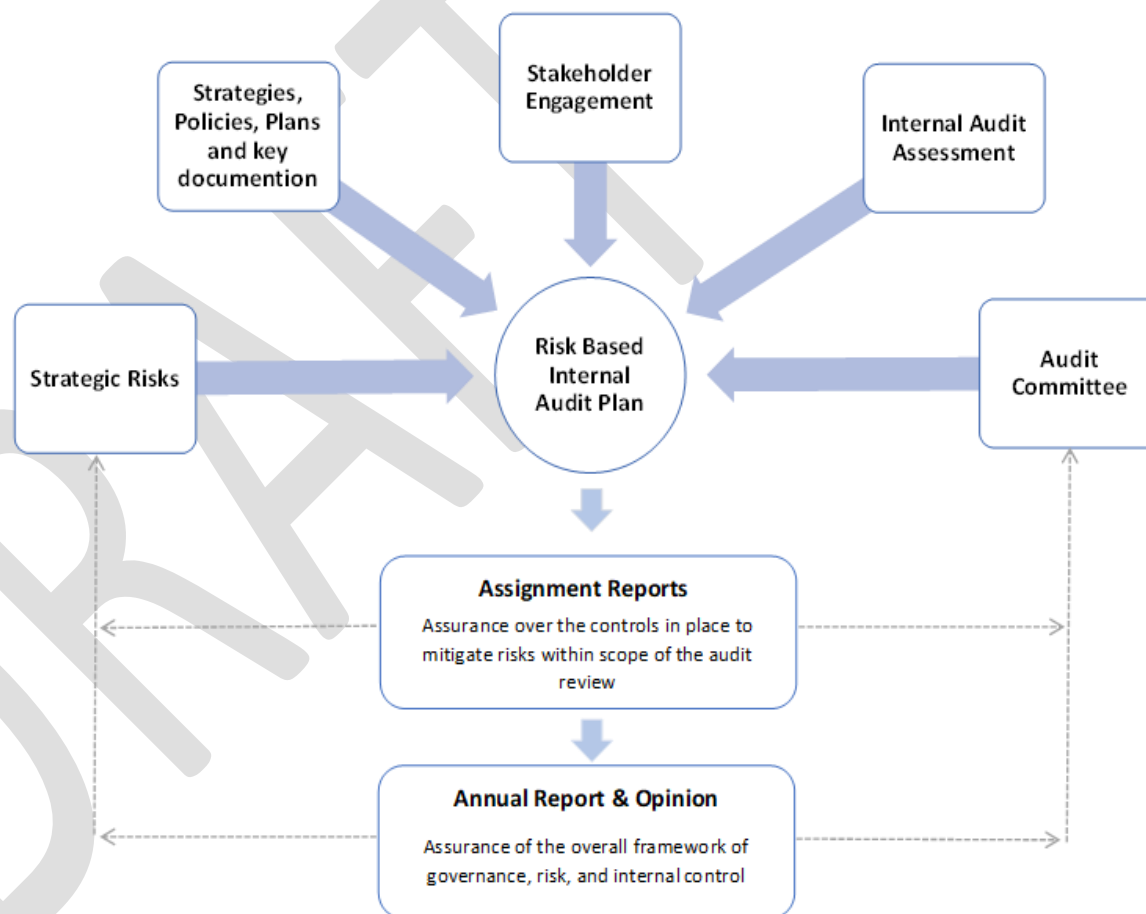
In accordance with the Public Sector Internal Audit Standards there is a requirement that internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals.

Based on conversations with key stakeholders, review of risk registers, key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed an annual audit plan for the coming year.

Audit planning is a perpetual process throughout the course of the year to ensure we are able to react to new and emerging risks and the changing needs of the organisation.

The Council are 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.

We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.



Internal Audit Plan 2023-24

Audit Review	Audit Sponsor (Executive Director)	Indicative Scope	Corporate / Directorate Risks	Proposed Timing
Governance				
Information Governance	Corporate	Assurance over information governance arrangements to include FOI, SAR, Transparency and General Data Protection Regulation (GDPR).	✓	Q1
Risk Management	Corporate	Assurance over the risk management framework including governance, transparency and maturity.		Q3
Programme & Project Management	Corporate	Assurance over the governance, risk and control framework for the delivery of organisational programmes / projects.		Q2
HR	Corporate	Assurances over the audit cycle to cover: <ul style="list-style-type: none"> • Performance Management • Absence Management • Officer Recruitment • Officer Training & Development • Workforce Strategy / Development • Flexible Working • Use of Volunteers. 2023/24 scope Workforce Strategy (including recruitment & retention)	✓	Q1
Savings Realisation	Corporate	Assurance over the governance process in place for the development, monitoring, reporting and delivery of identified savings to meet known future budget pressures.	✓	Q3
Decision Making	Corporate	Assurance over the effectiveness and transparency of the decision-making process at officer and Member level. To consider governance, sufficiency, accuracy and timeliness of information including consultation with the public as necessary.	✓	Q3
National Fraud Initiative	Corporate	To review and investigate the non-welfare results arising from the national fraud initiative.		Q1
Payment Card Industry Standards	Corporate	Assurance that the council are compliant with the PCI standards.		Q4

Audit Review	Audit Sponsor (Executive Director)	Indicative Scope	Corporate / Directorate Risks	Proposed Timing
IT				
Cyber – Staff Training & Awareness	Corporate	Assurance over controls in place to ensure staff are adequately trained to mitigate the risk of a successful cyber attack through staff actions.	✓	Q2
Vulnerability Management	Corporate	Assurance over internal vulnerability scanning and remediation processes to ensure effective identification and management of vulnerabilities.		Q3
Core Financial				
Accounts Receivable & Debt Management	Corporate	Cyclical review of core financial system		Q3
Housing Benefits	Corporate	Cyclical review of core financial system		Q4
Planet – sustainability and climate emergency: a carbon neutral and climate resilient council by 2035				
Climate Change	Corporate	To review the Climate Change Strategy and delivery of the Climate Change Action Plan in place to meet the organisations carbon neutral target.	✓	Q3
People – fair treatment for all, help for those in need and a sustainable economy that makes Hart a great place to live and work				
Safeguarding	Community	To ensure effective policies and procedures are in place and training provided to staff along with appropriate statutory checks.		Q1
Place – delivering warmer, better homes in sustainable locations that people can afford to live in				
Licencing	Place	To provide assurance over the arrangements in place for those licensing functions included in the shared services agreement with B&DBC.		Q2
S106 Developer Contributions	Place	Assurance over the administration, negotiating, collection, monitoring and utilisation of S106 contributions.	✓	Q4
Building a resilient council – your services: getting it right first time and delivering what matters to you				
Waste & Recycling	Corporate	Assurance over the effectiveness of governance arrangements and that the council are receiving the level of service / performance expected from the Agreement.	✓	Q4

Audit Review	Audit Sponsor (Executive Director)	Indicative Scope	Corporate / Directorate Risks	Proposed Timing
Legal Services	Corporate	Assurance over the effectiveness of governance arrangements and that the council are receiving the level of service / performance expected from the Agreement.	✓	Q2
Other				
Management				Q1 – Q4
Total Days				230

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