



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

**HART DISTRICT COUNCIL
INTERNAL AUDIT PROGRESS REPORT – SEPTEMBER 2023**

Prepared by: **Neil Pitman, Head of Partnership**

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

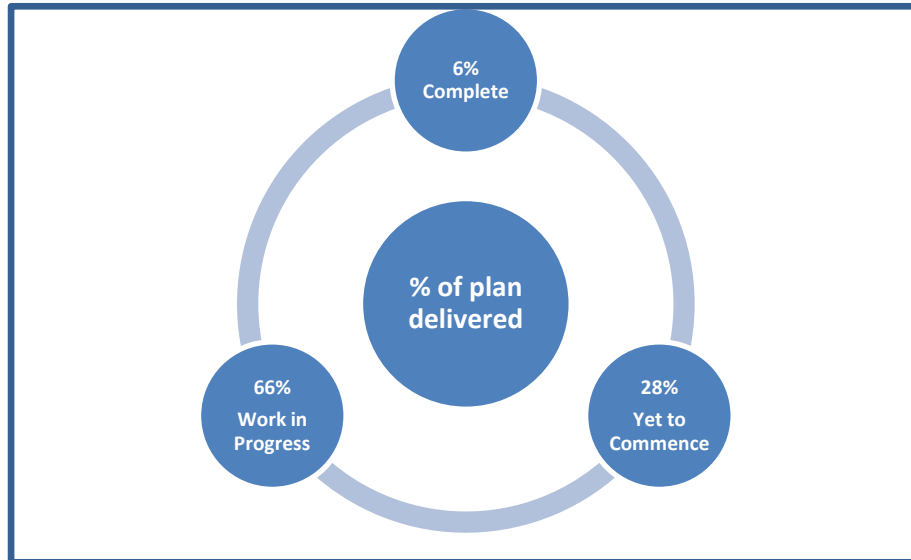
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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 Chief Internal Auditor’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. Assurance opinions are categorised as follows:

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



*Results are the outcomes of a Partnership wide survey undertaken in April 2023.

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 ‘Live’ audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
Safeguarding	Aug 23	Community	Reasonable	15		5	7		1	2
Total								1	1	2

Audit Sponsor

Chief Executive
Daryl Phillips

Executive Director of Community Services Kirsty Jenkins	Executive Director of Corporate Services Graeme Clark	Executive Director of Place Services Mark Jaggard
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5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There have been no limited assurance opinions issued.

6. Planning & Resourcing

The internal audit plan for 2023-24 was presented to and agreed by the Senior Leadership Team and the Audit Committee in March 2023. The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	ToR	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2022/23								
IT Controls	Corporate	-	-	-	-			With S151
Procurement	Corporate	-	-	-	-			With S151
Planning Performance	Place	-	-	-	-			With S151
2023/24								
Information Governance	Corporate	✓	✓	✓	Oct 23			
Risk Management	Corporate							Q3
Programme & Project Management	Corporate	✓	✓	✓				
HR – Workforce Strategy	Corporate	✓	✓	✓	Sep 23			
Savings Realisation	Corporate	✓						
Decision Making	Corporate	✓						
National Fraud Initiative	Corporate	✓	✓					
Payment Card Industry Standards	Corporate							Q4
Cyber – Staff Training & Awareness	Corporate	✓	✓	✓				
Vulnerability Management	Corporate	✓						
Accounts Receivable & Debt Management	Corporate	✓						
Housing Benefits	Corporate							Q4
Climate Change	Corporate							Q3
Safeguarding	Community	✓	✓	✓	Jul 23	Aug 23	Reasonable	

Audit Review	Sponsor	Scoping	ToR	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Licencing	Place	✓	✓	✓				
S106 Developer Contributions	Place							Q4
Waste & Recycling	Corporate							Q4
Legal Services	Corporate	✓	✓	✓				

8. Adjustments to the Internal Audit Plan

Plan Variations 2023/24	
Additions to the plan	Explanation
N/A	-
Deletions from the plan	Explanation
N/A	-

Overdue 'High Priority' Management Actions

Safeguarding - Reasonable			
<p>Observation: Safeguarding training is mandatory for all staff every two years. Outside of this, a Quick Guide session should be delivered within six weeks of new starters commencing work at the council to ensure some knowledge of safeguarding, it's processes and policies are shared. Analysis was conducted on training records and staff data which found 37 out of 126 current officers (29%) did not attend full training (of which 27 were not found on the training list).</p>			
<p>Risk: If staff and council members aren't receiving safeguarding training, then it exposes the council to possible safeguarding issues being missed or not acted on</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Meet with HR to ensure that process for New Starters and Induction guidance to all Managers advises the need to provide at least the Quick Safeguarding Training within 6 weeks of start of employment.	31/08/23	31/10/23	This has not taken place and has a revised completion date of 31/10/2023.
Safeguarding - Reasonable			
<p>Observation: Discussions and on screen sharing with the Designated Safeguarding Lead found that accurate and timely notifications of new starters are not always received from HR, which can lead to delays in providing training.</p> <p>The DSL has advised that HR is more proactive since the function has been in-sourced, but it was evident that without the reports being regularly provided there are no additional methods for prompts to deliver training. There is currently no formal process for updating on new starters and leavers and expectations around timelines for initial training to be delivered.</p>			
<p>Risk: Without accurate and routine reporting from HR safeguarding training cannot be delivered within the compliant timelines</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Meet with Data Governance Officer and IT Manager to discuss best practice for recording and monitoring other statutory training e.g., Cyber Safety and GDPR to see if process can be further automated or improved.	31/08/23	15/11/23	This has not taken place and has a revised completion date of 15/11/2023

Overdue 'Low & Medium Priority' Management Actions (October 2023)

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
Safeguarding	Aug 23	Reasonable		1	31/08/23	02/11/23
Total			1	1		