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# **Southern Internal Audit Partnership**

Assurance through excellence  
and innovation

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## **HART DISTRICT COUNCIL INTERNAL AUDIT PLAN 2024-25**

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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 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.

Service	Description	Risk Score
Community	Loss of MHCLG Homelessness Grant. HPG is secure till 2025 but unknown after that	9
Community	Changes to planning law resulting in loss of Sec106 sites and increased workload for staff	6
Community	Failure to recover rent bond money	4
Corporate	Waste and recycling facing significant change in next 3 years due to new legislation, new disposal arrangements with HCC and Serco contract end date	12
Corporate	Risk of a Cyber-attack on the Council's systems and data	12
Corporate	Secure future provision of legal services that delivers the Council's needs and provide good value for money	9
Corporate	Medium Term Financial Strategy and Budget – unable to deliver sustainable balanced budget over the medium term	9
Corporate	Delivery of climate change action plan objectives and achievement of zero carbon aims	9
Place	Recruitment & retention of key staff	9
Place	Workload required due to outside influences. For example, neighbourhood plans, Parish-led Conservation Area Appraisals, Duty to Corporate	8
Place	Changes to the Planning System (Planning Policy & Development Management)	6

\*extract from Corporate Risk Register (half year review) presented to Overview & Scrutiny Committee (September 2023)

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 2024/25

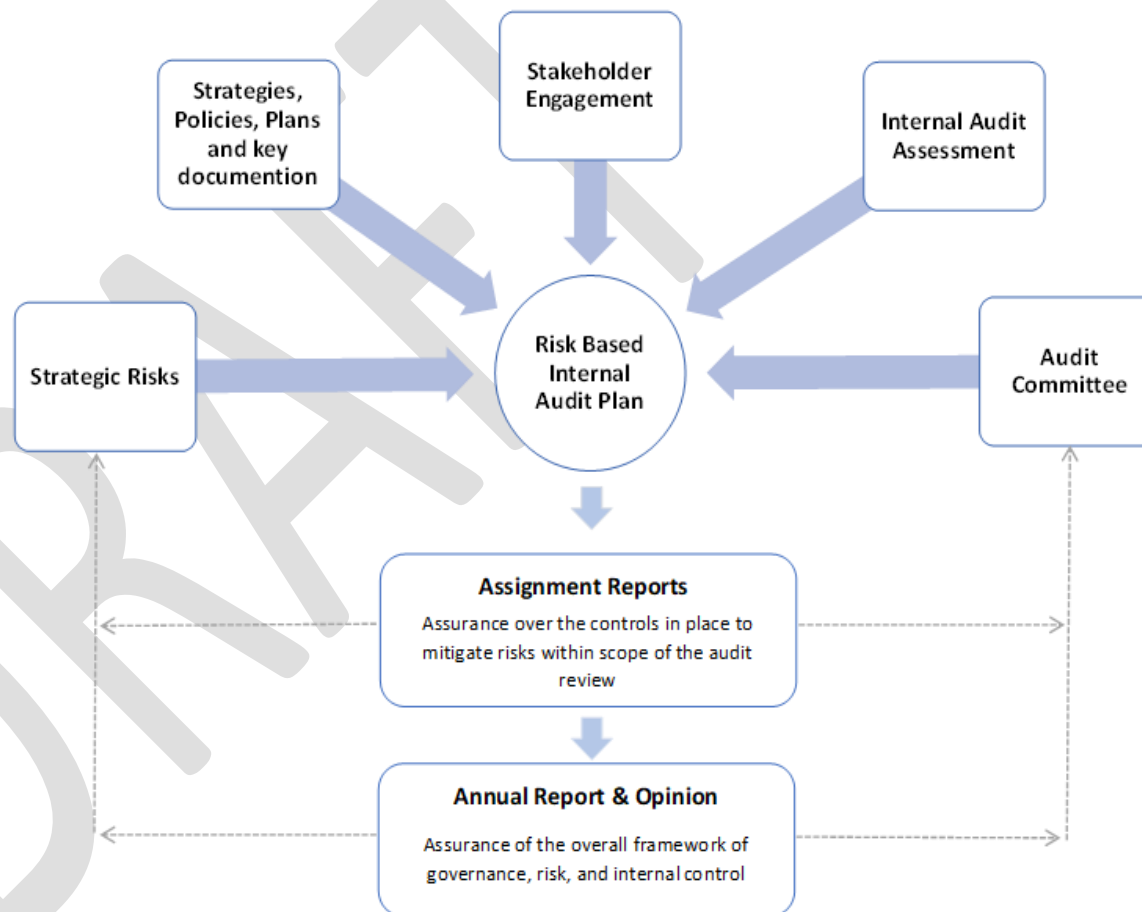
In accordance with the Public Sector Internal Audit Standards there is a requirement that internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals.

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 2024-25

Audit Review	Audit Sponsor (Executive Director)	Indicative Scope	Corporate / Directorate Risks	Proposed Timing
<b>Governance</b>				
Corporate Health & Safety	Place	To provide assurance over governance, policy, process and accountability. Also to review existing arrangements with Reading BC.	✓	Q1
Procurement	Corporate	To review compliance with Contract Procedure Rules and adoption of the New Procurement Act		Q4
Use of Agency Staff	Corporate	To provide assurance over the governance and effective use of agency staff across the organisation and the cost of agency staff compared to establishment posts.	✓	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.	✓	Q4
GDPR	Corporate	Assurance on 'reporting data breaches in contracted and shared services'	✓	Q1
National Fraud Initiative	Corporate	To fulfil the key aspects of the Key Contact Role as per agreed arrangements.	✓	Q1-Q4
<b>IT</b>				
IT Contingency	Corporate	Pending discussions with the Head of IT	✓	Q2-Q3
<b>Core Financial</b>				
Treasury Management	Corporate	Assurance on the effectiveness of controls to support the Treasury Management process and ongoing compliance with the Prudential Indicators		Q2
Payroll	Corporate	Assurance of control and processes in place for the effective and timely administration of the payroll process		Q2
Non-Domestic Rates	Corporate	Assurance of the controls and processes in place for the effective administration of NNDR		Q3

Audit Review	Audit Sponsor (Executive Director)	Indicative Scope	Corporate / Directorate Risks	Proposed Timing
<b>Planet – sustainability and climate emergency: a carbon neutral and climate resilient council by 2035</b>				
Tree Safety	Community	Assurance on the effective governance and maintenance of tree inspections to support the discharge of the Council’s responsibilities.		Q2
<b>People – fair treatment for all, help for those in need and a sustainable economy that makes Hart a great place to live and work</b>				
Building Repairs & Maintenance	Place / Corporate	To provide assurance over compliance with statutory checks e.g. gas, fire, legionella, asbestos, lifts etc.		Q2
<b>Place – delivering warmer, better homes in sustainable locations that people can afford to live in</b>				
Building Control	Place	Review of agreement with Rushmoor BC for service provision and assurance that the Council are receiving a service in line with agreed specification	✓	Q2
<b>Building a resilient council – your services: getting it right first time and delivering what matters to you</b>				
Business Continuity Planning	Place	To provide assurance over the completeness and effectiveness of business continuity plans across the organisation.	✓	Q3
Financial System Implementation - Contingency	Corporate	Retain contingency for critical friend role in the system implementation of the new financial Management System	✓	Q1-Q4
Street Cleansing & Grounds Maintenance	Community	Review of effectiveness of governance arrangements and the management of the contract for service provision ensuring the Council are receiving a service in line with agreed specification	✓	Q4
<b>Other</b>				
Management				Q1 – Q4
<b>Total Days</b>				<b>220</b>