

Internal Audit Plan

2022-23

Arun District Council



Southern Internal Audit Partnership

Assurance through excellence
and innovation

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 team will be led by Neil Pitman, Head of Southern Internal Audit Partnership, supported by Iona Bond, Senior Audit Manager and Melanie Weston, 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.

Arun District Council – Our Vision: A Better Future 2022 - 2026



Arun District Council are developing the Council Vision for 2022 - 2026 which will set their priorities for the next 4 years. The vision is scheduled to go to the Corporate Policy and Performance Committee with recommendation to adopt by Full Council on 9 March 2022.

The four themes underpinning the vision are:

- Improving the wellbeing of Arun
- Delivering the right homes in the right places
- Supporting our environment to support us
- Fulfilling Arun's economic potential

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.

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

Risk Number	Title	Risk Score
1	Finance	16
6a	Homelessness	16
13	Cybersecurity	12
16	Corporate Stock Compliance Issues	12
19	Climate Change	12
20	Coronavirus Pandemic	12
3	Regeneration and Economic Development	9
4	Procurement & Contract Management	9
8	Partnerships	9
12	Corporate Business Continuity	8
17	Elections	8
2	Change Management & Service Transformation	6
5	Member Decision Making	6
6b	Affordable Housing Development	6
7	Local Plan	6
9	Information & Data Security	6
11	Coastal Protection & Land Drainage	6
10	Community Engagement & Customer Insight	4
15	Local Authority Trading Companies	3
18	Brexit Implications	2

Developing the Internal Audit Plan 2022/23

We have used various sources of information and discussed priorities for internal audit with the following groups:

- Corporate Management Team
- Other Key Stakeholders

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.

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 2022-23 / 2024-25

Audit review	Audit Sponsor	Indicative Scope	Corporate Risk	Proposed Timing		
				2022-23	2023-24	2024-25
Corporate						
Corporate Vision / Plan	Chief Executive	Effective governance, measurement and delivery of the corporate vision and its embeddedness throughout the organisation.		Q3		✓
Health & Safety (Corporate)	Chief Executive	Effective H&S strategy in place and operating effectively with effective governance, accountability and issue resolution.	16	Q1		✓
Capital Programme Delivery	Chief Executive	Assurance over the governance and delivery of the capital programme.			✓	
BCP and Emergency Planning		Assurance over planning for extreme events that may lead to delays in responding to situations resulting in increased costs and staff resources including: <ul style="list-style-type: none"> • Business Continuity Plan • Emergency Plan 	12	Q3		
Transformation	Chief Executive	To provide assurance on the delivery and governance of transformational projects to deliver improved and more efficient services.	2	Q4	✓	✓
Governance						
Annual Governance Statement	Chief Executive	Cyclical assurance over the governance arrangements to compile, contribute and deliver the AGS.			✓	
Risk Management	Chief Executive	Assurance over the risk management framework including governance, transparency and maturity.		Q2		✓
Procurement	Chief Executive	Robustness of procurement and decision-making process, emergency procurements / purchases, compliance with Contract Standing Orders. Due diligence of new suppliers	4	Q2		✓

Audit review	Audit Sponsor	Indicative Scope	Corporate Risk	Proposed Timing		
				2022-23	2023-24	2024-25
Contract Management		Review of contract management arrangements and compliance across a selection of contracts in place.	4	Q4		✓
Programme & Project Management		Assurance over project management framework and compliance in relation to delivery on live / ongoing projects.	2	Q3		✓
Partnership Working	Chief Executive	Working alongside different cultures. Potential for some loss of control / ownership of service delivery. Assurance over governance, rights of access, third party assurance, contingency arrangements, exit strategy, hosting arrangements (accountabilities), benefit realisation.	8	Q3		
Decision Making	Chief Executive	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.	5	Q2		
Human Resources & Organisational Development	Chief Executive	To provide assurance against key services / risk over a cyclical period, to include: <ul style="list-style-type: none"> • Workforce Strategy / Development • Performance Management • Absence Management • Recruitment • Training & Development • Use of Agency Staff • Use of Volunteers 22/23 focus on Workforce Strategy and Use of Agency Staff.	2	Q2	✓	✓

Audit review	Audit Sponsor	Indicative Scope	Corporate Risk	Proposed Timing		
				2022-23	2023-24	2024-25
Information Governance	Chief Executive	Assurance over information governance arrangements to include FOI, SAR, Transparency and General Data Protection Regulation (GDPR).	9	Q2		
IR35	Chief Executive	Compliance with the requirements of IR35 “intermediaries legislation” which requires challenges of people who supply their services to clients via their own company.			✓	
Ethical Governance	Chief Executive	Evaluation of the design, implementation and effectiveness of ethics-related objectives, programmes and activities.				✓
Fraud Framework	Chief Executive	Cyclical assurance over the governance arrangements to prevent, detect and investigate fraud and irregularities.			✓	
IT						
Cyber Security	Chief Executive	<p>An annual review to review on a cyclical basis key initiatives including:</p> <ul style="list-style-type: none"> • cyber security policies, procedures • training and awareness • testing • detection and recovery • cyber risk assessments • monitoring incidents • key risk indicators and remediation • assessing relationships with third parties and suppliers 	13	Q2	✓	✓
Disaster Recovery Planning	Chief Executive	Assurance that the disaster recovery plan is comprehensive, appropriately documented, governed and tested.			✓	

Audit review	Audit Sponsor	Indicative Scope	Corporate Risk	Proposed Timing		
				2022-23	2023-24	2024-25
IT Asset Management	Chief Executive	Assurance that effective processes are in place to manage and maintain the Council's IT assets. Of particular importance in light of changes to the operating model during / post pandemic.		Q3		
Cloud	Chief Executive	Assurance over strategic approach, security, resilience, third party due diligence, recovery etc.			✓	
Information Security	Chief Executive	Technical and organisational controls in place to manage risks of data loss, legislative penalties and reputational damage.				✓
IT Governance	Chief Executive	Review of IT strategy, policies, standards and procedures.			✓	
Networks & Communications	Chief Executive	Effectiveness of network management. To also include virtualisation, operating systems, communication platforms.				✓
PCI	Chief Executive	Compliance to meet industry standards.			✓	
System Development & Implementation	Chief Executive	Assurances over controls to support Systems Life Cycle, Project Management and Application Management.				✓
Finance						
Financial Resilience	Chief Executive	Assurance over the process and development of the medium-term financial strategy; budget setting / forecasting process; and in year budget monitoring to ensure the Council achieves a balanced budget and financial stability.	1	Q4	✓	✓
Saving Realisation	Chief Executive	Development, governance, monitoring and delivery of identified savings to meet known future budget pressures.	1	Q3	✓	✓

Audit review	Audit Sponsor	Indicative Scope	Corporate Risk	Proposed Timing		
				2022-23	2023-24	2024-25
Accounts Payable	Chief Executive	Cyclical review as a key financial system.				✓
Accounts Receivable & Debt Management	Chief Executive	Cyclical review as a key financial system.	Q2			
Payroll	Chief Executive	Cyclical review as a key financial system.		✓		
Treasury Management	Chief Executive	Cyclical review as a key financial system.	Q3			
Main Accounting	Chief Executive	Cyclical review as a key financial system.				✓
Council Tax	Chief Executive	Cyclical review as a key financial system.	Q2			
NNDR	Chief Executive	Cyclical review as a key financial system.		✓		
Housing Benefits	Chief Executive	Cyclical review as a key financial system.				✓
Housing Rents	Director of Services	Cyclical review as a key financial system.		✓		
Income Collection	Chief Executive	Cyclical review as a key financial process.				✓
Improving the wellbeing of Arun						
Arun Lifeline	Director of Services	Assurance over process, payment, partnership arrangements and relevant safeguarding implications.			✓	
Community Safety/Development	Director of Services	Response to community safety and anti-social behaviour. To include PREVENT.			✓	
Leisure Facilities	Director of Services	Effective contract management of leisure operators. Assurances that the Council are benefiting from the expected outcomes of arrangements in place.	Q3			
Disabled Facility Grants	Director of Place	Assurance over the administration and awarding of grants in line with local / legislative requirements.			✓	
Safeguarding	Director of Services	To ensure effective policies and procedures are in place and training provided to staff along with appropriate statutory checks.				✓

Audit review	Audit Sponsor	Indicative Scope	Corporate Risk	Proposed Timing		
				2022-23	2023-24	2024-25
Homelessness & Housing Advice	Director of Services	Assurance over management and prevention of homelessness. Development and Implementation of the Homelessness Strategy.	6a	Q2		✓
Delivering the right homes in the right places						
Planning & Development Control	Director of Place	Assurance over areas including planning process, Community Infrastructure Levy, S106 agreements / develop obligations			✓	
Local Plan	Director of Place	Review of the plan and provide assurance around the progress/delivery.	7		✓	
Affordable Housing	Director of Services	Review opportunities for development and alternative methods of delivery to meet organisational and national priorities. Review of the implementation and delivery of the Affordable Housing Strategy.	6a, 6b	Q4		
Housing Allocations	Director of Services	To provide assurance on the process of application, assessment and allocation of housing.				✓
Repairs and Maintenance (Statutory H&S checks)	Director of Services	Assurance of the governance and management of reactive and proactive maintenance of housing stock including statutory checks (to include overview of effective contract management arrangements and deliverables as relevant)		Q3		✓
Housing – Void Properties	Director of Services	To provide assurance over the timely assessment, repair and reinstatement of void properties (to include overview of effective contract management arrangements and deliverables as relevant)			✓	

Audit review	Audit Sponsor	Indicative Scope	Corporate Risk	Proposed Timing		
				2022-23	2023-24	2024-25
Replacement Housing IT System	Director of Services	To provide assurance over the project management, governance and delivery of the replacement Housing IT system.		Q4		
Building Control	Director of Place	To consider governance, deliverables, billing and outcomes realisation.				✓
Supporting our environment to support us						
Environmental Health & Protection	Director of Place	To provide assurance over regulatory activities including animal control, food safety, pollution control, contaminated land, enforcement. To include Private Sector Housing.				✓
Climate Strategy	Director of Services	To provide assurance over the governance and delivery of Climate Change Strategy including accompanying action plan.	19	Q3		✓
Air Quality Monitoring	Director of Place	Responsibility to review and assess current and future air quality within the district in compliance with the National Air Quality Strategy.				✓
Cleansing Services (refuse, waste and recycling)	Director of Services	To review the effective governance and contract management arrangements in place for cleansing services.	4	Q4		✓
Parks & Green Spaces	Director of Services	To review the effective governance and contract management arrangements in place (incl. Health & Safety inspections required).				✓
Fulfilling Arun's economic potential						
Economic Regeneration	Director of Place	Review of the governance framework supporting the achievement of the Council's regeneration aspirations/plans.	3	Q3		

Audit review	Audit Sponsor	Indicative Scope	Corporate Risk	Proposed Timing		
				2022-23	2023-24	2024-25
Corporate Property Portfolio	Director of Place	Assurance of the governance and management of reactive and proactive maintenance of corporate buildings including statutory checks (to include overview of effective contract management arrangements and deliverables as relevant)			✓	
Commercial Properties (Investments)	Director of Place	To provide assurance over the governance, management and accountability of commercial property investments including due diligence and benefits realisation (remaining cognisant of CIPFA guidance).			✓	
Miscellaneous						
Licensing	Director of Services	To include Taxi's, gambling, alcohol, entertainment etc. issue and enforcement.			✓	
Car Parks and Enforcement	Director of Services	Assurance over cash collection of car park income (end to end review from point of pay to banking and reconciliation).	Q3			✓
Grant certification	Chief Executive		Q1-Q4	✓		✓
Other						
Management			Q1-Q4	✓		✓
Total Days			365	365	365	