

Internal Audit Plan 2021-22 – 2023-24

Winchester City Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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Introduction

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 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 Strategic Directors and Audit Sponsors, 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 Antony Harvey, Deputy Head of the Southern Internal Audit Partnership, supported by Bev Davies, 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 (IIA) completed an external quality assessment of the Southern Internal Audit Partnership. The report concluded:

'The mandatory elements of the International Professional Practices Framework (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, and which are required to be disclosed under internal auditing standards.

Council Vision

The 'Council Plan' adopted in January 2020, and updated in February 2021, outlines Winchester City Council's key ambitions over five years (2020-2025) including the actions, commitments and measures to deliver overall outcomes by March 2025. The overarching priority for the council is to tackle climate change. This is underpinned by four further priorities.

1 Tackling the climate emergency and creating a greener district	2 Living Well	3 Homes for All	4 Vibrant Local Economy	5 Your Services, Your Voice
<p>What we want to achieve</p> <ul style="list-style-type: none"> Winchester City Council to be carbon neutral by 2024 Winchester district to be carbon neutral by 2030 Reduced levels of waste and increased recycling, exceeding national targets Clean air, more ambitious than national targets Everything most residents need should be in reach by foot, bike or public transport Our district's extensive natural habitats safeguarded and enhanced <p>How will we achieve this?</p> <ul style="list-style-type: none"> Carbon neutrality to continue to be central to everything we do Positive local plan policies which promote low carbon development, sustainable 	<p>What we want to achieve</p> <ul style="list-style-type: none"> Reduced health inequalities A wide range of physical and cultural activities for all ages and abilities Increased opportunities for active travel A wider diversity of residents and businesses involved in ensuring that WCC services work for all, especially for residents who need more help to live well Attractive and well-used public facilities and green spaces with space for relaxation and play <p>How will we achieve this?</p> <ul style="list-style-type: none"> Focus our activities on the most disadvantaged areas, communities and groups, supporting a greater diversity of residents 	<p>What we want to achieve</p> <ul style="list-style-type: none"> More young people and families working and living in the district All homes to be energy efficient and affordable to run Diverse, healthy and cohesive communities - not just homes No-one sleeping rough, except by choice <p>How will we achieve this?</p> <ul style="list-style-type: none"> Building significantly more homes ourselves Strengthening our Local Plan to ensure the right mix of homes is built for all sectors of our society, including young people Using the new Winchester Housing Company to deliver a wide range of housing tenures to meet local needs Directly and in partnership 	<p>What we want to achieve</p> <ul style="list-style-type: none"> Increase opportunities for high quality, well-paid employment across the district A shift to a greener, more sustainable economy New offices and workspace meet changing business needs and are located in areas with sustainable transport links More younger people choosing to live and work in the district Our city, market towns and rural communities recover well and have a compelling, competitive visitor offer Winchester district attracting new and relocating businesses and enterprises <p>How will we achieve this?</p> <ul style="list-style-type: none"> Working with our key stakeholders to position 	<p>What we want to achieve</p> <ul style="list-style-type: none"> An open, transparent, inclusive and enabling council Improved satisfaction for our services Good value compared to other similar authorities Continuous improvement in cost-effectiveness High accessibility and usage of our services Constructive and effective partnerships across the district A balanced budget and stable council finances <p>How will we achieve this?</p> <ul style="list-style-type: none"> Continuously improving processes that: <ul style="list-style-type: none"> ♣ Involve the public, businesses, stakeholders and ward councillors earlier in the design, deliberation and decision-making process

<p>travel and increased biodiversity</p> <ul style="list-style-type: none"> • Encourage renewable energy generation and support start-ups and businesses in green energy and green technology • Work with and enable businesses, organisations and residents to deliver the Carbon Neutrality Action Plan throughout the district • Work towards a more sustainable food system and reduce food waste • Continue to work with Hampshire County Council to deliver the City of Winchester Movement Strategy and prioritise walking, cycling and public transport throughout the district • Delivering the actions in our Biodiversity Action Plan • Work with other public authorities to expand the range of materials that we can recycle as solutions become available 	<ul style="list-style-type: none"> • Offering a wide range of accessible activities for all to enjoy at the new Winchester Sport and Leisure Park • Supporting communities to extend the range of sports and cultural facilities across the district • Enable and promote safe cycleways and pathways to make it safer and more appealing for our residents and visitors to cycle and walk to their destination • Maintain and enhance open spaces and parks • Develop Local Plan policies that promote healthy lifestyles in healthy surroundings 	<p>with the voluntary sector, providing support for our homeless and most vulnerable people</p> <ul style="list-style-type: none"> • Move the energy efficiency of new and existing homes towards zero carbon • Working with developers to ensure that they provide affordable housing and homes at fair market value as part of new developments 	<p>Winchester district as a centre for digital, creative, knowledge intensive networks</p> <ul style="list-style-type: none"> • Focusing on a ‘green recovery’ post COVID-19 and continue to provide tailored, sector specific business support • Supporting business in meeting the challenge of carbon neutrality and encouraging ‘green growth’ • Prioritising the needs of younger people in the redevelopment of central Winchester • Working in partnership to strengthen the appeal of Winchester and promote and develop our unique cultural, heritage and natural environment assets • Promoting our independent businesses and supporting start-ups 	<ul style="list-style-type: none"> ♣ Effectively respond to and learn from complaints and feedback to drive service improvement ♣ Embed effective partnership working with the community, voluntary groups and organisations, local businesses, our suppliers and other public bodies • Transparent and publicly visible performance measures which drive improved satisfaction and performance • More effective use of technology to make it simpler and easier to deal with the council and its delivery partners while reducing cost • Focus on accessibility and inclusiveness to ensure our decision-making and services are accessible to and usable by all • Investing in our staff and making the most of their skills and talents
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Council Risk

The Council have a clear framework and approach to risk management. The strategic 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 strategic risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

No	Risk Title	Risk Description
1	Capacity to deliver	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services
3	Decision Making	Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change
4	Business continuity	Failure to recover services after a major incident (including Pandemic) that has had a significant impact on the ability of the Council to provide its services
6	Effective partnership working	Faltering partnerships due to lack of shared vision, conflicting demands and individual partner failure. Poor scoping and commissioning of partners
7	Medium term financial viability	Lack of sufficient funding and/or escalating costs over the medium term reduce financial viability
8	Strategic planning for housing	Increasing demand for new houses, high costs including private sector rents and inability to identify new sites for housing risks delivery of the quality housing options corporate priority
9	Cyber Security	Failure to protect the Council's systems from Malicious attack leading to financial loss, disruption of business and ability to deliver services, loss and corruption of data.
10	Responding to the Climate Emergency	Failure or inability to meet agreed targets.

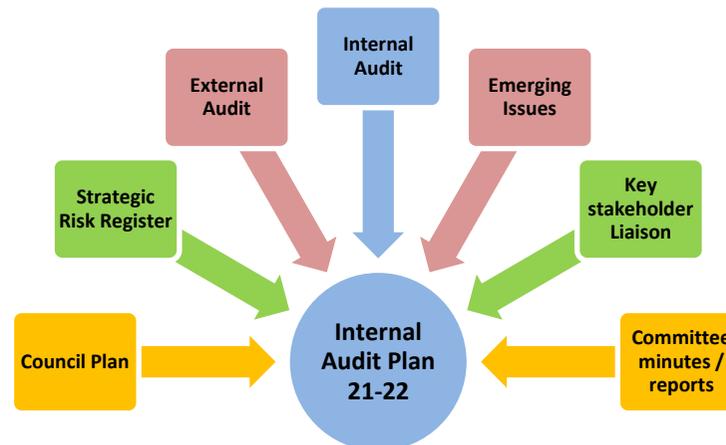
Developing the internal audit plan

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

- Executive Leadership Board
- Corporate Head of Resources
- Deputy Leader and Portfolio Holder for Finance and Risk
- Audit and Governance Committee.

Based on these conversations with key stakeholders, a review of key corporate documents and our understanding of the organisation the Southern Internal Audit Partnership have developed an annual audit plan for the forthcoming year (2021-22) together with an indicative plan for 2022-23 and 2023-24.

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 2021-22 to 2023-24

Audit Review	Indicative Scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Strategic Planning and Performance Management	Assurance over delivery of the Council Plan; underpinning strategies & plans; and performance monitoring & reporting frameworks.	All	-	✓	-	✓
Programme and Project Management	Review of the programme and project management framework and/or compliance in relation to live / ongoing projects. 2021-22 focus on the use of consultants on major projects.	All	2020-21	✓	-	✓
Transformation	Assurance over transformation initiatives including: <ul style="list-style-type: none"> • Efficiency Plan (Transformation Savings) • Benefits realisation • Digital Agenda. 	All	2019-20	-	✓	-
Financial Stability	Assurance over risks relating to the financial stability of the Council. Coverage over the audit cycle to include: <ul style="list-style-type: none"> • Medium Term Financial Strategy • Budget planning/setting • Budget monitoring. 	All	2019-20	-	✓	✓
Capital Programme and Monitoring	Assurances over the framework for agreeing the capital programme and monitoring of delivery of individual projects.	All	2020-21	-	-	✓
Energy Management / Climate Emergency / Green	Assurance over the Council's response to the Climate Emergency/Green Agenda including strategies, policies, procedures	All	2019-20	✓	-	✓

Audit Review	Indicative Scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Agenda	and outcomes. 2021-22 focus on plans to retro fit properties to reduce the carbon footprint as part of the climate strategy.					
Asset Management (Corporate Estate)	Assurance over effectiveness and delivery of the Asset Management Plan including repairs and maintenance to non-housing assets (planned & reactive).	1, 2, 3	2018-19	✓	-	✓
Working in Partnership / Alternative Delivery Models	Assurance over governance, rights of access, third party assurance, contingency arrangements, exit strategies, hosting arrangements (accountabilities), benefits realisation, performance.	All	2019-20	✓	-	✓
Economic Development and Regeneration	Review of strategic approach to achieve economic development and regeneration including performance measures and outcomes. 2021-22 focus on the arrangements to deliver the new Economic Development Strategy.	All	-	✓	-	-
Health & Safety	Assurance that there is an appropriate H&S strategy in place, with effective governance, accountability and issue resolution.	All	2020-21	-	✓	-
Business Continuity & Emergency Planning	Assurance over plans to recover services after a major incident / planning for extreme events.	All	2020-21	-	✓	-
Risk Management	Assurance over the risk management framework including governance, transparency and maturity.	All	2018-19	✓	-	✓

Audit Review	Indicative Scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Procurement	Assurance over compliance with contract procedure rules and legislative requirements (including P Cards)	All	2019-20	-	✓	-
Contract Management	Review of contract management arrangements and compliance across a selection of 'key contracts' 2021-22 focus on the management of the Leisure Centre contract.	All	2020-21	✓	-	✓
Environmental Services Contract	Assurances over the contract management and performance framework.	1, 5	2020-21	-	✓	-
Information Governance	Coverage over a three-year cycle to include: - <ul style="list-style-type: none"> • Records management and retention • FOI • Transparency • Compliance with GDPR. 	All	2020-21	✓	✓	✓
Corporate Governance Framework	Assurance over the corporate governance framework including Annual Governance Statement, ethical governance, codes of conduct, complaints, compliments etc	All	2019-20	-	-	✓
Decision Making and Accountability	Assurance over transparency of decision-making, accountability and compliance with organisational priorities	All	-	-	✓	-
Fraud Framework	Assurance that there are effective procedures to detect / mitigate fraud and irregularity and to promote a zero-tolerance culture.	-	On-going	✓	✓	✓

Audit Review	Indicative Scope	Corporate Priority	Last Audited	21-22	22-23	23-24
	Provision to facilitate NFI, advice					
Human Resources	Coverage over a three-year cycle to include: - <ul style="list-style-type: none"> • Workforce strategy & planning • Training & development • Recruitment • Performance management • Wellbeing & absence management • Use of agency staff/volunteers. 	All	2020-21	✓	✓	✓
Housing rents		All	2019-20	-	✓	-
Council Tax		All	2019-20	-	✓	-
Accounts Payable		All	2019-20	-	✓	-
Accounts Receivable / Debt Management		All	2020-21	-	-	✓
Main Accounting and Reconciliations	Cyclical coverage of core systems to meet legislative requirements.	All	2019-20	-	✓	-
Treasury Management		All	2020-21	-	-	✓
NNDR		All	2017-18	✓	-	-
Expenses		All	2018-19	✓	-	-

Audit Review	Indicative Scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Payroll		All	2019-20	-	✓	-
Income collection and banking		All	2019-20	-	-	✓
IT Governance	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> • IT Strategy and Planning • IT Asset Management • Change Management • Software Licencing • Incident and Problem Management • Service Desk 2021-22 audits on Incident and Problem Management; and IT Asset Management (including mobile devices).	All	2017-18	✓	TBC	TBC
Data Management	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> • Data Storage and data backup • Data Centre Facilities and Data Security • Capacity Planning and Monitoring • Data Classification & Ownership • Data Quality 	All	2019-20	-	TBC	TBC
Information Security	Coverage over the audit cycle to consider: - <ul style="list-style-type: none"> • Cyber Security 	All	2020-21	-	TBC	TBC

Audit Review	Indicative Scope	Corporate Priority	Last Audited	21-22	22-23	23-24
	<ul style="list-style-type: none"> • Cloud • Remote Access • Public Facing Internet Security • IT Security Policy 					
Systems Development and Implementation	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> • Application Reviews • Programme & Project Management 	All	2018-19	-	TBC	TBC
Business Continuity	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> • IT Business Continuity Planning • Disaster Recovery Planning • System Resilience 	All	2020-21	-	TBC	TBC
Networking and Communications	Coverage over the audit cycle to consider: <ul style="list-style-type: none"> • Firewalls & Malware protection • Network Security and Access Control • Network Infrastructure Management & Monitoring • Virtualisation • Operating System / Patch Management • Secure Emails • Telecommunications 2021-22 focus on User lifecycle & access management	All	2020-21	✓	TBC	TBC

Audit Review	Indicative Scope	Corporate Priority	Last Audited	21-22	22-23	23-24
Housing Management, Enforcement and Homelessness	<p>Assurance that there is effective control to deliver strategic objectives and legislative requirements. Coverage over a three year cycle to include: -</p> <ul style="list-style-type: none"> • Housing allocations • Homelessness obligations • Right to buy • HMOs/Enforcement • Winchester Housing Company <p>2021-22 focus on the letting of new homes. Provision for 2nd review – theme TBC.</p>	2, 3, 4	2018-19	✓	✓	✓
Housing Asset Management	Assurance over process and delivery of repairs and maintenance, voids, Decent Homes Standards	2, 3, 4	2020-21	-	✓	-
Disabled Facilities Grants	Assurance over the administration and awarding of grants in line with local / legislative requirements	2, 3, 4	-	✓	-	-
Building Control	Review of policy and processes in line with legislative requirements	2, 3, 4	2020-21	-	-	✓
Planning / Development Management	Assurance over areas such as planning process, Community Infrastructure Levy, S106 agreements / developer obligations	All	2019-20	-	✓	-
Land Registry / Charges	Assurance over processes to maintain and update the register and respond to search requests promptly, in line with legislative requirements.	All	-	✓	-	-

Audit Review	Indicative Scope	Corporate Priority	Last Audited	21-22	22-23	23-24
	2021-22 scope to review progress against the data cleansing activity and the project to launch a customer portal.					
Open Spaces / Tree Management	Assurance over the maintenance and management of open spaces. 2021-22 scope to cover tree management/ash die back	1, 2	-	✓	-	-
Licensing	Assurance over safeguarding, income, application process and monitoring in line with legislative requirements	-	2018-19	-	✓	-
Certification work	Certification/final accounts audit work as required including COVID -19 related grants requiring certification	-	On-going	✓	✓	✓
COVID-19 Response	Provision for audit review(s) in direct response to the pandemic / as a result of changes to operating models enforced or enabled by remote working	All	2020-21	✓	-	-
Management	Planning, reporting, Audit Committee, Monitoring, Liaison and Advice	-	On-going	✓	✓	✓
Total Days						310