Southern Internal Audit Partnership

Assurance through excellence
and innovation

WINCHESTER CITY COUNCIL
INTERNAL AUDIT PLAN 2024-25
(APPENDIX A)

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Contents

1. 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.

2. 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 Mark Norton, Audit Manager.

3. Conformance With Internal Audit 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.'*

4. 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.

5. Council Vision and Risk

The 'Council Plan' adopted in January 2020, and updated in December 2022, outlines the Council's key ambitions over five years (2020-2025) with the overarching priority to tackle the climate emergency and create a greener district; underpinned by four further priorities - Living well; Homes for all; Vibrant local economy; and Your services, Your voice.

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.

Code	Risk Description
CR001	Given competing demands and multiple complex priorities, the risk is that the Council does not maintain capacity to deliver services
CR003	Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change or procedural errors
CR004	Failure to have plans and processes in place to recover and maintain services after a major incident (including pandemic) that has a significant impact on the ability of the Council to provide its services
CR006	Breakdown of effective partnership working
CR007	Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability to achieve a balanced budget (General Fund and HRA)
CR008	Availability of suitable viable sites to meet the strategic need for building new homes (HRA)
CR009	Failure in cyber security leaving the council exposed to phishing and other attacks leading to compromised IT systems and data loss
CR010	Failure to effectively respond to the Climate Change Emergency and reduce the council and district carbon emissions

CR011   Lack of preparedness and incapability to respond to events caused by climate change

CR012   Nutrient neutrality – Phosphates

6. Developing the Internal Audit Plan

Based on discussions 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 (2024-25) together with an indicative plan for 2025-26 and 2026-27.

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.
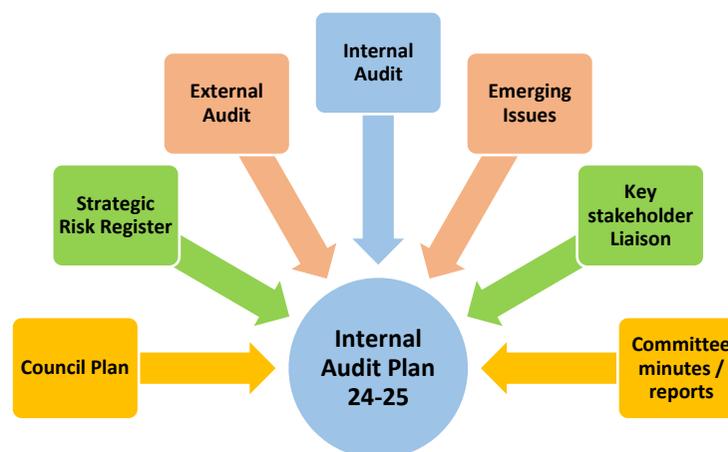
7. Internal audit plan 2024-25 to 2026-27

Audit Review	Indicative Scope	Corporate Risk Register	24-25	25-26	26-27
Strategic Planning and Performance Management	Assurance over delivery of the Council Plan; underpinning strategies & plans; and performance monitoring & reporting frameworks.	CR001/3	-	✓	-
Programme and Project Management	Review of the programme and project management framework and/or compliance in relation to live / ongoing projects.	CR001/3	✓	-	-
Financial Stability	Assurance over risks relating to the financial stability of the Council. Coverage over the audit cycle to include: • Medium Term Financial Strategy • Budget planning/setting • Budget monitoring. 2024-25 focus on Transformation Challenge 25.	CR007	✓	✓	✓
Capital Programme and Monitoring	Assurances over the framework for agreeing the capital programme and monitoring of delivery of individual projects.	CR007	-	-	✓
Climate Emergency / Green Agenda	Assurance over the Council's response to the Climate Emergency/Green Agenda including strategies, policies, procedures and outcomes.	CR010/11	✓	✓	✓
Asset Management (Corporate Estate)	Assurance over effectiveness and delivery of the Asset Management Plan including repairs and maintenance to non-housing assets (planned & reactive). 2024-25 follow-up review.	CR004/7/10/11	✓	✓	✓

Audit Review	Indicative Scope	Corporate Risk Register	24-25	25-26	26-27
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. 2024-25 focus on the Council's Housing Company.	CR001/3/6	✓	-	✓
Economic Development and Regeneration	Review of strategic approach to achieve economic development and regeneration including performance measures and outcomes.	CR001/3/6/7 /10/11	-	✓	-
Health & Safety	Assurance that there is an appropriate H&S strategy in place, with effective governance, accountability and issue resolution.	CR004	✓	-	-
Business Continuity & Emergency Planning	Assurance over plans to recover services after a major incident / planning for extreme events.	CR004/011	-	-	✓
Risk Management	Assurance over the risk management framework including governance, transparency and maturity.	CR - All.	-	-	✓
Procurement	Assurance over compliance with contract procedure rules and legislative requirements (including P Cards).	CR006/7	-	✓	-
Contract Management	Review of contract management arrangements and compliance across a selection of 'key contracts'. 2024-25 focus on ID Verde & Wetton contracts and associated performance measures.	CR006/7	✓	✓	✓

Audit Review	Indicative Scope	Corporate Risk Register	24-25	25-26	26-27
Information Governance	Coverage over a three-year cycle to include: - • Records management and retention (2024-25 follow-up) • FOI / SAR • Transparency • Compliance with GDPR.	CR003/9	✓	✓	✓
Corporate Governance Framework	Assurance over the corporate governance framework including Annual Governance Statement, decision making and accountability, ethical governance, codes of conduct, complaints, compliments etc.	CR003	✓	-	-
Fraud Framework	Assurance that there are effective procedures to detect / mitigate fraud and irregularity and to promote a zero-tolerance culture. Provision to facilitate NFI, advice.	-	✓	✓	✓
Human Resources	Coverage over a three-year cycle to include: - • Workforce strategy & planning • Training & development • Recruitment • Performance management • Wellbeing & absence management • Use of agency staff/volunteers.	CR - All.	-	✓	✓

Audit Review	Indicative Scope	Corporate Risk Register	24-25	25-26	26-27
Housing rents		CR007	-	✓	-
Council Tax		CR007	-	✓	-
Accounts Payable		CR007	-	✓	-
Accounts Receivable / Debt Management		CR007	-	-	✓
Main Accounting and Reconciliations		CR007	-	✓	-
Treasury Management		CR007	✓	-	-
NNDR	Cyclical coverage of core systems to meet legislative requirements.	CR007	✓	-	-
Benefits		CR007	-	-	✓
Expenses		CR007	✓	-	-
Payroll		CR007	-	✓	-
Income collection and banking		CR007	-	-	✓

Audit Review	Indicative Scope	Corporate Risk Register	24-25	25-26	26-27
IT Governance	Coverage over the audit cycle to consider: • IT Strategy and Planning • IT Asset Management • Change Management • Software Licencing • Incident and Problem Management • Service Desk 2024-25 Focus on Microsoft Licensing	CR004/9	✓	TBC	TBC
Data Management	Coverage over the audit cycle to consider: • Data Storage and data backup • Data Centre Facilities and Data Security • Capacity Planning and Monitoring • Data Classification & Ownership • Data Quality.	CR004/9	-	TBC	TBC
Information Security	Coverage over the audit cycle to consider: - • Cyber Security • Cloud • Remote Access • Public Facing Internet Security • IT Security Policy. 2024-25 focus on Cyber Security Roadmap	CR004/9	✓	TBC	TBC

Audit Review	Indicative Scope	Corporate Risk Register	24-25	25-26	26-27
Systems Development and Implementation	Coverage over the audit cycle to consider: • Application Reviews • Programme & Project Management.	CR004/9	-	TBC	TBC
Business Continuity	Coverage over the audit cycle to consider: • IT Business Continuity Planning • Disaster Recovery Planning • System Resilience.	CR004/9	-	TBC	TBC
Networking and Communications	Coverage over the audit cycle to consider: • Firewalls & Malware protection • Network Security and Access Control • Network Infrastructure Management & Monitoring • Virtualisation • Operating System / Patch Management • Secure Emails • Telecommunications. 2024-25 focus on Patch Management	CR004/9	✓	TBC	TBC

Audit Review	Indicative Scope	Corporate Risk Register	24-25	25-26	26-27
Housing Management, Enforcement and Homelessness	Assurance that there is effective control to deliver strategic objectives and legislative requirements. Coverage over a three year cycle to include: - • Housing allocations • Homelessness obligations • Right to buy • HMOs/Enforcement 2024-25 focus on Private Sector Housing.	CR003/10	✓	✓	✓
Housing Asset Management	Assurance over process and delivery of repairs and maintenance, voids, Decent Homes Standard. 2024-25 focus on Housing Retrofit programme.	CR003/10	✓	✓	✓
Disabled Facilities Grants	Assurance over the administration and awarding of grants in line with local / legislative requirements.	CR003/10	✓	-	-
Building Control	Review of policy and processes in line with legislative requirements.	CR003/10	-	-	✓
Planning / Development Management	Assurance over areas such as planning process, Community Infrastructure Levy, S106 agreements / developer obligations.	CR003/8/10	✓	-	✓
Land Registry / Charges	Assurance over processes to maintain and update the register and respond to search requests promptly, in line with legislative requirements.	CR001	✓	-	-
Open Spaces / Tree Management	Assurance over the maintenance and management of open spaces.	CR001/10	-	✓	✓

Audit Review	Indicative Scope	Corporate Risk Register	24-25	25-26	26-27
Licensing	Assurance over safeguarding, income, application process and monitoring in line with legislative requirements.	CR003	-	✓	-
Environmental Health	Assurance over the Council's legal obligations for Environmental Health.	CR001/3	-	-	✓
Parking / Enforcement	Assurance over the arrangements for the collection of car parking income / and or enforcement activities.	CR006/7	✓	-	-
Markets	Assurance over the management of markets including income collection & banking.	CR007	✓	-	-
Certification work	Certification/final accounts audit work as required.	CR007	✓	✓	✓
Management	Planning, Reporting, Monitoring, Liaison and Advice.	-	✓	✓	✓
Total Days					**310**