

Internal Audit Plan

2019-20

New Forest National Park Authority

**Southern Internal
Audit Partnership**



**NEW FOREST
NATIONAL PARK**

Assurance through excellence
and innovation

Contents

| | | |
|--|-------|-------|
| Introduction | | 3 |
| Your Internal Audit Team | | 4 |
| Conformance with Internal Audit Standards | | 4 |
| Conflicts of Interest | | 4 |
| Developing the internal audit plan 2019-20 | | 5 |
| Internal Audit Plan 2019-20 | | 6 – 7 |

Introduction

The role of internal audit is that of 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 Authority 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 Authority that these arrangements are in place and operating effectively.

The Authority’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 Authority’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 Authority. 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 Authority.

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 Southern Internal Audit Partnership, supported by Amanda Chalmers, 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 2015 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 considering all sources of evidence the external assessment team concluded:

*'It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to **all** of these principles. **This performance is within the top decile of EQA reviews we have performed.** This is a notable achievement given the breadth of these Standards and the operational environment faced by SIAP.'*

*There are **no instances** across these standards where we determined a standard below "generally conforms", and 4 instances where the standard is assessed as "not applicable" due to the nature of SIAP's remit.'*

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.

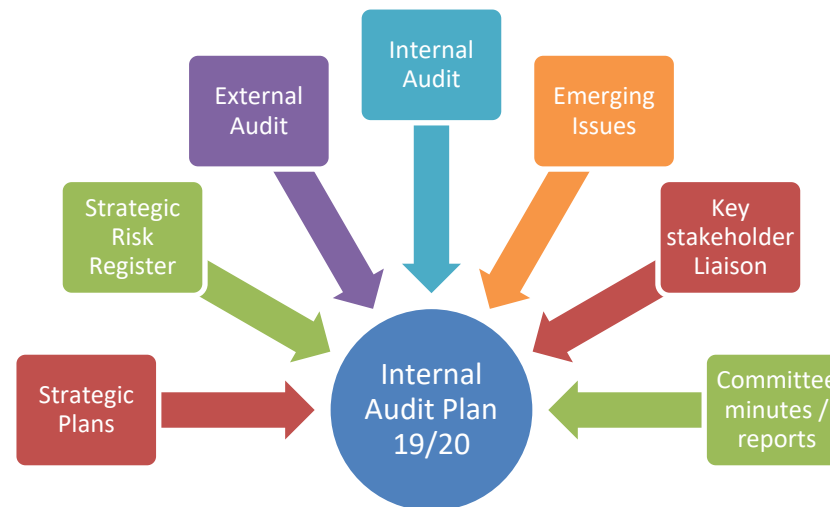
Developing the internal audit plan 2019/20

We have used various sources of information and discussed priorities for internal audit with the Executive Board, Chief Finance Officer and the Resources, Audit and Performance Committee.

Based on these conversations with key stakeholders, review of key corporate documents including the Business Plan and Risk Register, and our understanding of the organisation the Southern Internal Audit Partnership have developed an annual audit plan for the coming year. The proposed focus reflects the changes in financial and payroll systems.

The Authority is 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 2019-20

| Audit | Risk / Scope considerations | 2019-20 |
|---|--|---------|
| Core Financial Systems and Business Processes | | |
| General Ledger and Reconciliations (including Budgetary Control) | Audit of the main accounting system, financial processes and reconciliations with other 'feeder' systems. Coverage to complement external audit / regulatory requirements and management concerns. | ✓ |
| Accounts Payable | Assurance over the accounts payable system and associated processes including procurement. | ✓ |
| Treasury Management | Coverage of treasury management activity and compliance with the approved strategy and associated limits. | ✓ |
| Income Collection and Cash Management (including Planning Income) | To review the main income collection systems and processes. | ✓ |
| Payroll | Assurance over the Payroll system and associated processes. NB review undertaken as part of the SLA with New Forest District Council at no extra cost to the Authority. | ✓ |

| Audit | Risk / Scope considerations | 2019-20 |
|---|--|-----------|
| Information and Communication Technology | | |
| System Accesses and Controls | Advisory role for roles, responsibilities, corresponding system accesses and controls for the new financial and payroll systems. | ✓ |
| Audit Management | | |
| Follow-up of previous recommendations | | ✓ |
| Annual Internal Report and Opinion | | ✓ |
| Plan preparation, monitoring and progress reporting | | ✓ |
| Total Days | | 18 |