

## Internal Audit Progress Report 2023-24

February 2024

New Forest National Park Authority

---



**Southern Internal  
Audit Partnership**

Assurance through excellence  
and innovation

**Contents:**

1.	Role of Internal Audit	3
2.	Purpose of report	4
3.	Performance dashboard	5
4.	Analysis of 'Live' audit reviews	6
5.	Executive summaries 'Limited' and 'No' assurance opinions	6
6.	Planning and resourcing	6
7.	Rolling work programme	7

## 1. Role of Internal Audit

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 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.

## 2. Purpose of report

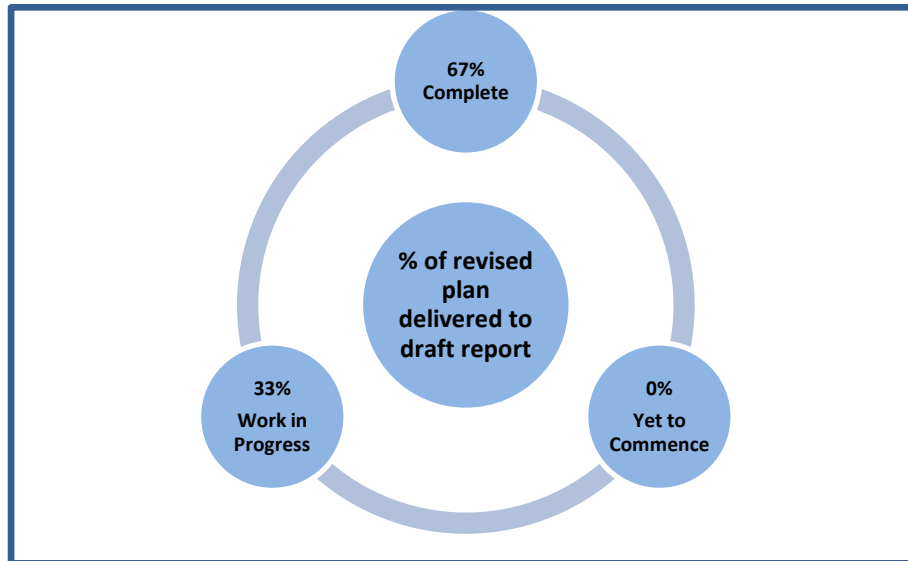
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

### 3. Performance dashboard



#### Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. 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. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
Income Collection and Banking	May 21	CFO	Reasonable	1	0	0	0		1	
<b>Cyber Security Incident Remediation *</b>	<b>Feb 22</b>	<b>CFO</b>	<b>Reasonable</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>			
<b>Business Continuity/Disaster Recovery – Covid-19 Response *</b>	<b>May 22</b>	<b>CFO</b>	<b>Reasonable</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>			
ICT Policies and Procedures	Feb 23	CFO	Limited	12	0	0	6		6	
Information Governance – Records Management and Information Requests	May 23	CFO	Reasonable	3	0	3	0			
Treasury Management, Income Collection and Banking	Jul 23	CFO	Reasonable	3	0	2	1			
<b>Total</b>								<b>0</b>	<b>7</b>	<b>0</b>

\* Denotes where all actions have been completed since the last progress report.

#### Update on the overdue actions

Income Collection and Banking – New payment card machines have been in place since October 2023 and it is planned to complete the Payment Card Industry Data Security Standard (PCI DSS) Self-Assessment by the end of September 2024.

The outstanding actions in relation to IT Policies and Procedures are intertwined with those initially relating to Cyber Security Incident Remediation and Business Continuity/ Disaster Recovery (BC/DR) - Covid-19. The initial, specific actions in relation to Cyber Security Incident Remediation and BC/DR have been completed and are deemed closed. Subsequent, related actions have followed through to the ICT Policies and Procedures Audit and significant progress has been made to address all actions however, due to a dependency on the completion of other actions, some have not been completed within original, anticipated timescales. A specialist provider has worked with the Authority to develop the Cyber Incident Response Plan (CIRP) and complete a desktop exercise with a feedback report received in October 2023. Following the development of the CIRP; it is anticipated the Authority's IT Policy and BC/DR plans will be updated by the Summer of 2024, with subsequent updating of underlying, operational IT procedures and rollout of training by the end of 2024.

## **5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion**

I’m pleased to report that no 2023-24 audits have concluded with a ‘Limited’ or ‘No; Assurance opinion to date.

## **6. Planning & Resourcing**

The Internal Audit Plan for 2023-24 was discussed by the Executive Board and approved by the Resources, Audit and Performance Committee on 06 March 2023.

The plan has been updated to reflect the inclusion of the Treasury Management, Income Collection and Banking audit which had not been sufficiently completed to be included within the 2022-23 Annual Internal Audit Report and Opinion and has therefore been brought forward for inclusion within the 2023-24 audit plan. It is proposed to defer the audit of IT Disaster Recovery to the end of 2024-25 due to the on-going work with updating the IT Policies and Procedures.

Progress against the plan is detailed within section 7.

## 7. Rolling Work Programme

Audit Review	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Treasury Management, Income Collection and Banking	✓	✓	✓	Jul 23	Jul 23	Reasonable	
Planning System	✓	✓	✓	Feb 24		Substantial	
Accounts Payable	✓	✓	✓				