



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

**EPSOM AND EWELL BOROUGH COUNCIL
INTERNAL AUDIT PLAN 2023-24**

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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 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 Natalie Jerams, Deputy Head of Southern Internal Audit Partnership and supported by Joanne Barrett, 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.

Four Year Plan 2020-2024

Epsom & Ewell Borough Council have developed a long-term vision for the borough, Future40. Through extensive engagement and consultation, the Council have brought together the views and aspirations of people that live and work in Epsom and Ewell. Five themes have been identified reflecting people's views and priorities for the borough until 2040. These five themes form the core of the four-year plan.



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.

Ref	Risk
CRR-46	Failing to deliver a local plan (e.g. due to budget, staffing, legislative changes, legal objection/challenge)
CRR-63	Unsupported legacy applications
CRR-107	Reduced central government funding for homelessness activities
CRR-29	Failing to deliver the climate change strategy
CRR-86	Failing to recruit to vacant positions promptly with quality candidates, and retain existing talent
CRR-8	Significant rise in oil, gas and electricity prices
CRR-97	Increasing EPC requirements
CRR-51	Fail to balance the budget annually (inc. mitigating the ongoing financial impacts of Covid-19) & MTFS
CRR-56	Cyber attack
CRR-48	Issues with ICT infrastructure resilience, security and capacity
PCR13	Significant Health and Safety incident occurs

*Corporate Risks as per the Corporate Performance Report February 2023

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.

Developing the internal audit plan 2023/24

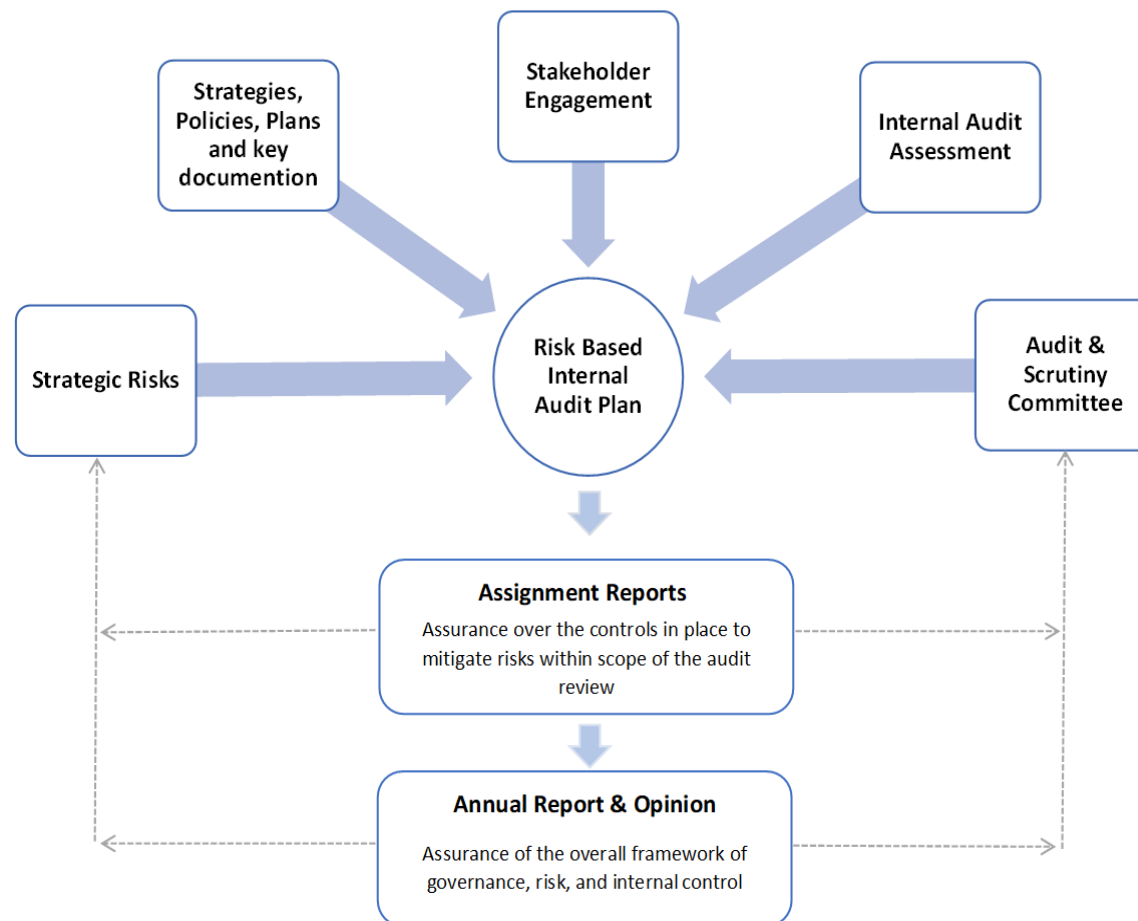
In accordance with the Public Sector Internal Audit Standards there is a requirement that internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation’s goals.

Based on conversations with key stakeholders, review of risk registers, key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed an annual audit plan for the coming year.

Audit planning is a perpetual process throughout the course of the year to ensure we are able to react to new and emerging risks and the changing needs of the organisation.

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 2023-24

Audit	Sponsor	Scope/ Risk	Corporate Risk	Quarter
Corporate				
Savings Realisation		To assess realisation and delivery of savings target / initiatives, including new income generating opportunities.	CRR-51, CRR-8, CRR-107	Q2
Asset Management (Statutory Checks)		Assurance over statutory compliance checks for properties.	CRR-97	Q3
Four Year Plan		Assurance over the governance arrangements in place to monitor, review and report on the delivery of the four year plan.		Q1
Governance				
Risk Management		Assurance over the risk management framework including governance, transparency and maturity following the implementation of the new Risk Management Strategy in 2022.		Q4
Fraud Framework		Assurance over the governance arrangements to prevent, detect and investigate fraud and irregularities.		Q2
Health and Safety – Follow Up		Follow up of the 2020/21 internal audit report to ensure management actions have been implemented and embedded.	PCR13	Q3
Business Continuity		Assurance over planning for extreme events that may lead to delays in responding to situations resulting in increased costs and staff resources.	CRR-56	Q2
Information Governance		To review the framework for Information Governance across the organisation.		Q4

Audit	Sponsor	Scope/ Risk	Corporate Risk	Quarter
Human Resources		Weak or ineffective internal control leading to financial loss resulting in damage to the Council's reputation and adverse publicity. Assurances over the audit cycle: <ul style="list-style-type: none"> • Performance Management • Absence management • Recruitment • Training & Development • Workforce Strategy / Development • Flexible Working • HR policies and procedures • Agency staff, volunteers. <p><i>Scope for 2023/24 TBC.</i></p>	CRR-86	Q4
Complaints		Assurance over the complaints management process.		Q1
Capital Programme		Assurance over the delivery of the Capital Programme.	CRR-86	Q3
IT				
Legacy Systems		Assurance over plans, progress and actions to address the corporate level IT risk around the legacy systems in use.	CRR-63, CRR-48	Q2
Cyber Security		Assurance over a specific area of cyber security which is to be agreed when scoping commences.	CRR-56, CRR-48	Q4
Core Financial Reviews				
Housing Benefits		Cyclical review of core financial systems		Q4
Accounts Payable				Q2

Audit	Sponsor	Scope/ Risk	Corporate Risk	Quarter
Safe and Well				
Homelessness		Assurance over the implementation of the strategy and action plan in place.	CRR-107	Q3
Planning Enforcement		Assurance over the Council's response to breaches of planning control.		Q1
Green and Vibrant				
Tree Inspections		Assurance over the inspection regime and record keeping.	PCR13	Q2
Other				
EWDC Conservators Account		Review and completion of the annual governance and accountability return.		Q1
Management				Q1-4
Total days				199