

INTERNAL AUDIT PROGRESS REPORT 2021-2022

Head of Service:	Gillian McTaggart, Head of Corporate Assurance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 – Internal Audit Progress Report – April 2022

Summary

This report summarises progress against the Internal Audit Plan 2021-2022.

Recommendation (s)

The Committee is asked to:

- (1) **Note the internal audit progress report from Southern Internal Audit Partnership attached at Appendix 1**

1 Reason for Recommendation

- 1.1 This Committee has overall responsibility for the audit and governance frameworks, including the functions of an audit committee.
- 1.2 The Committee receives regular internal audit progress reports which update the Committee on progress made against the audit plan and the outcomes of individual audits.

2 Background

- 2.1 Southern Internal Audit Partnership (SIAP) was appointed as the Council's internal auditors from April 2019 for a period of four years. SIAP is now in the third year of the contract. It is notable that the delivery of the audit plan in 2020-2021 was impacted by the Covid pandemic.
- 2.2 The Internal Audit Plan and Charter was endorsed by the Committee on 8 April 2021.

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3 Audit Plan 2021-2022

- 3.1 The report attached as Appendix 1 outlines the progress made against the current annual audit plan and analysis of live audit reports and outstanding management actions.
- 3.2 The audit plan will need to be delivered by June 2022 for the Chief Internal Auditor to complete the End of Year Opinion. The remaining audits in the plan are currently underway.

4 Outstanding Management Actions

- 4.1 There is one high priority outstanding management action.
- Building Control audit, 1 action: All outstanding Building Control actions will be addressed through the new shared service arrangement with Elmbridge Borough Council. We are expecting the final aspects of the arrangement to be completed by 31 May 2022.
 - See also “Annex 1” within Appendix 1 for further information.
- 4.2 Two high priority actions have been closed since the last report, both from the Asset Management (Property Assets) audit:
- Action 1: The Council can influence the sustainability of its own occupied buildings. Sustainability actions are being identified and costed to support the Asset Management Plan.
 - Commentary: Reducing the carbon footprint of council buildings will be monitored via our climate change action plan and our review of the Town Hall. Both of these actions are included in next year's Annual Plan & Service Delivery Plan, that is, to produce a costed climate change action plan and complete our asset reviews. Given this formal monitoring of our buildings' sustainability is in place, we are comfortable marking this action as complete.
 - Action 2: National Property Performance Indicators will be used from 1 October 2021 to monitor performance.

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- Commentary: The Business Assurance team have met the Head of Property & Regeneration in March 2022 to discuss performance indicators. Given that national performance measures are no longer formally used for national property performance monitoring, four indicators have been chosen to be included in the Council's corporate performance monitoring. The indicators relate to property maintenance, rent arrears and vacant property rates. The data for the indicators will be recoded corporately from April 2022 and form part of a refreshed performance monitoring framework for the Council, which will be periodically reviewed. Therefore, as performance indicators have been chosen and will form part of a wider corporate performance monitoring framework, we are comfortable marking this action as complete.

- 4.3 There are 27 overdue 'Low & Medium Priority' Management Actions. Commentary on these actions will be available at the committee meeting.

5 Risk Assessment

Legal or other duties

5.1 Impact Assessment

- 5.1.1 None for the purposes of this report.

5.2 Crime & Disorder

- 5.2.1 None for the purposes of this report.

5.3 Safeguarding

- 5.3.1 None for the purposes of this report.

5.4 Dependencies

- 5.4.1 The Head of Internal Audit (SIAP) will issue an annual Internal Audit Report and Opinion for 2021-2022 on completion of the annual plan. This report is a critical document that will be used in preparing the Annual Governance Statement for 2021-2022, which is included in the Statement of Accounts.

5.5 Other

- 5.5.1 None for the purposes of this report.

6 Financial Implications

- 6.1 There are no financial implications in this report.

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- 6.2 **Section 151 Officer's comments:** None arising from the contents of this report.

7 Legal Implications

- 7.1 There are no legal implications arising from this report.
- 7.2 **Legal Officer's comments:** none arising from this report.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- 8.1.1 Effective Council: Engaging, responsive and resilient Council.
- 8.2 **Service Plans:**
- 8.2.1 The matter is not included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:**
- 8.3.1 No relevance for the purpose of this report.
- 8.4 **Sustainability Policy & Community Safety Implications:**
- 8.4.1 No relevance for the purpose of this report.
- 8.5 **Partnerships:**
- 8.5.1 The Council's arrangements with partners, such as shared services, are considered within the remit of Internal Audit.

9 Background papers

- 9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- *Internal Audit Progress Report*, Audit, Crime & Disorder and Scrutiny Committee, 3 February 2022. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1108> [Last accessed 14/03/22].
- *Internal Audit Plan and Charter 2021/22*, Audit, Crime & Disorder and Scrutiny Committee, 8 April 2021. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=919&Ver=4> [Last accessed 14/03/22].