

INTERNAL AUDIT PROGRESS REPORT

Head of Service:	Andrew Bircher - Assistant Director, Corporate Services
Report Author:	Natalie Jerams, Deputy Head of Southern Internal Audit Partnership
Wards affected:	All Wards
Appendices (attached):	Appendix 1 - Internal Audit Progress Report Appendix 2 – Exempt Paper

Summary

The purpose of this report is to provide an overview of internal audit activity against the assurance work completed in accordance with the approved audit plan (2024-25) and to provide an overview of the outstanding management actions.

Recommendation (s)

The Committee is asked to:

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

1 Reason for Recommendation

- 1.1 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee.
- 1.2 This Committee has overall responsibility for the audit and governance frameworks, including the functions of an audit committee.

2 Background

- 2.1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
 - ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and

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- undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.

2.2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee, summarising:

- The status of 'live' internal audit reports (outstanding management actions);
- 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 may impact on the Chief Internal Auditor's annual opinion.

2.3 Appendix 1 provides a summary of internal audit's ongoing progress.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 None for the purposes of this report.

3.2 Crime & Disorder

3.2.1 None for the purposes of this report.

3.3 Safeguarding

3.3.1 None for the purposes of this report.

3.4 Dependencies

5.4.1 None

3.5 Other

3.5.1 None for the purposes of this report.

4 Financial Implications

4.1 There are no financial implications in this report.

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

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5 Legal Implications

- 5.1 There are no legal implications arising from this report.
- 5.2 **Legal Officer's comments:** The council is required by statute (under the Regulations 3 & 5 of the Accounts and Audit Regulations 2015 and section 151 of the Local Government Act 1972) to have an adequate and effective internal audit function. Regulation 3 of the Accounts and Audit Regulations 2015 requires the council to ensure that it has a sound system of internal control which (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and (c) includes effective arrangements for the management of risk. Regulation 5 of the Accounts and Audit Regulations 2015 requires the council to 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.
- 5.3 In addition, the council must each financial year conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement (Regulation 6 (1) of the Accounts and Audit Regulations 2015). SIAP are the appointed council's internal auditors. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report submitted to the last meeting of this Committee.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- 6.1.1 Effective Council: Engaging, responsive and resilient Council.
- 6.2 **Service Plans:**
- 6.2.1 The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:**
- 6.3.1 No relevance for the purpose of this report.
- 6.4 **Sustainability Policy & Community Safety Implications:**
- 6.4.1 No relevance for the purpose of this report.
- 6.5 **Partnerships:**
- 6.5.1 The council's arrangements with partners, such as shared services, are considered within the remit of Internal Audit.

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7 Background papers

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

Previous reports:

- Audit and Scrutiny Committee (2025) *Internal Audit Progress Report – December 2024*, 6th February 2025. Online available: <https://democracy.epsom-ewell.gov.uk/documents/s34570/Internal%20Audit%20Progress%20Report%20-%20February%202025.pdf> [Last accessed: 14/03/2025].
- Audit and Scrutiny Committee (2024) *Internal Audit Plan 2024-2025 and Internal Audit Charter 2024-2025*, 28th March 2024. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1523> Last accessed: 14/03/2025].