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# **Southern Internal Audit Partnership**

Assurance through excellence  
and innovation

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## **EPSOM & EWELL BOROUGH COUNCIL INTERNAL AUDIT PROGRESS REPORT**

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**February 2025**

## 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 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 organisations’ objectives.

## 2. Purpose of report

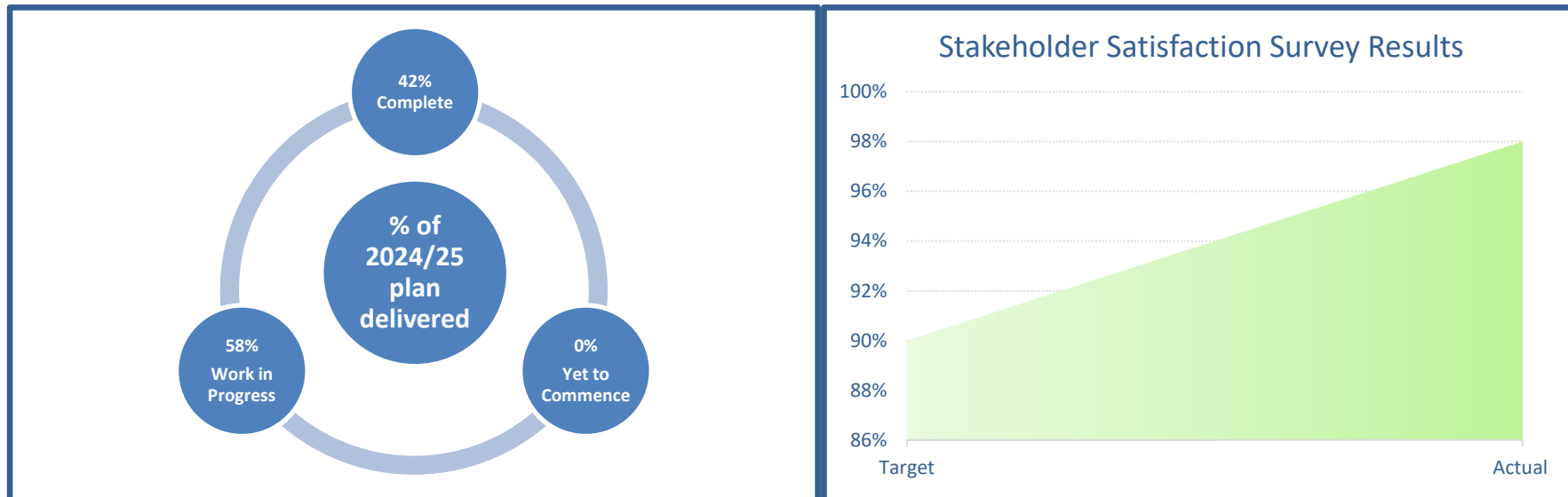
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

- 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 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

This table reflects the status of management actions as at 31 January 2025.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Actions*	Not Yet Due	Complete	Overdue		
							L	M	H
Information Security	30/05/2022	HofICT	Reasonable	5(1)	0(0)	4(1)	1		
Affordable Housing Delivery	03/01/2023	HofH&C	Limited	14(7)	0(0)	13(7)		1	
Investments	28/02/2023	HofP&R	Reasonable	2(0)	0(0)	1(0)		1	
Ethical Governance	11/05/2023	HofP&CR	Reasonable	11(2)	0(0)	6(2)		5	
HR – Recruitment	10/01/2024	ADCS	Reasonable	14(9)	0(0)	12(9)		2	
Fraud Framework	15/03/2024	ADCS	Reasonable	8(1)	0(0)	7(1)		1	
Risk Management	21/05/2024	ADCS	Reasonable	7(0)	0(0)	6(0)		1	
Business Continuity	28/06/2024	ADCS	Limited	7(1)	1(0)	4(1)	1	1	
Information Governance	07/10/2024	ADCS	Limited	10(1)	2(0)	6(1)	1	1	
Environmental Health – Food Safety	10/12/2024	HofH&C	No	11(5)	4(1)	7(4)			
Part 2 Exempt Items				30(8)	11(0)	16(8)		3	
<b>Total</b>				<b>119(35)</b>	<b>18(1)</b>	<b>82(34)</b>	<b>3</b>	<b>16</b>	<b>0</b>

\*Total number of actions (total number of high priority actions)

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

There have been no new reports finalised concluding a “limited” or “no” assurance opinion since the last progress report.

## 6. Planning & Resourcing

The internal audit plan for 2024-25 was presented to the Senior Leadership Team and the Audit & Scrutiny Committee in March 2024.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

## 7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comments
<b>Reviews carried forward from previous years</b>								
Main Accounting	CFO	✓	✓	✓	✓	✓	<b>Limited</b>	
Information Governance	ADofCS	✓	✓	✓	✓	✓	<b>Limited</b>	
Capital Programme	HofP&R	✓	✓	✓	✓	✓	<b>Reasonable</b>	
Accounts Payable	HofF	✓	✓	✓	✓	✓	<b>Reasonable</b>	
<b>2024/25</b>								
Relocation of Town Hall	DCE	✓	✓	✓	✓	✓	<b>n/a</b>	Position Statement
Human Resources – Use of Volunteers	HofP&OD	☑	☑					Q4
Financial Governance Framework (including Savings Realisation)	DofCS	✓	✓	✓	✓	✓	<b>Substantial</b>	
Decision Making & Accountability	HofLDS	✓	✓	✓				Q3
EEPIC – Governance Arrangements	HofP&R	✓	✓	✓				Q3 – Close of audit held, report pending.
IT Strategy	HofICT	✓	✓	✓	✓	✓	<b>n/a</b>	Position Statement
Data Backup & Ransomware Protection	HofICT	☑	☑	☑				Q4
IT Follow Up	HofICT	✓	✓	✓	✓			Q1

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comments
Treasury Management	DofCS	✓	✓	✓	☑			Q2
Payroll	HofP&OD	✓	☑	☑				Q4
Playgrounds	HofOS	✓	✓	✓				Q2 – Close of audit held, report pending.
Planning Enforcement	HofPD	✓	✓	☑				Q4
Tree Management	HofPD	✓	✓	✓				Q3
Asset Management – Management of Leases and Rents	HofP&R	✓	☑					Q4
Housing Allocations Policy	HofH&C	✓	✓	✓	☑			Q3
Env Health – Food Hygiene	HofH&C	✓	✓	✓	✓	✓	<b>No</b>	
Safeguarding	HofH&C	✓	✓	✓	☑			Q3
Follow Up	Various	✓	✓	✓				Q2 – close of audit held, report pending.
EWDC Conservators Account	DofCS	✓	✓	✓	n/a	✓	<b>n/a</b>	Q1

☑ - This symbol reflects the progress that has been made since the last progress report was presented to the Audit & Scrutiny Committee on 6 February 2025.

Audit Sponsor			
DofCS	Director of Corporate Services (S151)	DCE	Deputy Chief Executive & Director of Environment, Housing & Regeneration
ADCS	Assistant Director, Corporate Services	HofH&C	Head of Housing & Community
HofPD	Head of Place Development	HofOS	Head of Operational Services
HofP&OD	Head of People and Organisational Development	HofP&R	Head of Property & Regeneration
HofLDS	Head of Legal & Democratic Services and Monitoring Officer	HofICT	Head of ICT
IAHofS	Interim Assistant Head of Service and Streetcare Manager	IAHofV&C	Interim Assistant Head of Service, Venues & Community Commercial Services

## 8. Adjustment to the Internal Audit Plan

There has been the following adjustment to the 2024/25 plan to date:

Plan Variations for 2024/25	
Removed from the plan	Reason
Housing Benefits	Postponed due to officer capacity to respond and engage with the review in Q4.



**Overdue 'High Priority' Management Actions**

None to report.

## Overdue 'Low &amp; Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Information Security	30.05.2022	Reasonable	Low	31.12.2022	30.05.2024 01.09.2024 31.12.2024 28.02.2025 <b>28.03.2025</b>
Affordable Housing Delivery	03.01.2023	Limited	Medium	31.12.2024	31.12.2026
Investments	28.02.2023	Reasonable	Medium	31.03.2024	31.03.2025
Ethical Governance	11.05.2023	Reasonable	Medium	31.07.2023	31.03.2024 30.09.2024 <b>31.03.2025</b>
			Medium	31.03.2024	30.06.2024 30.09.2024 <b>31.12.2024</b> <b>31.03.2025</b>
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 <b>31.03.2025</b>
			Medium	31.03.2024	30.06.2024 30.09.2024 <b>31.12.2024</b> <b>31.03.2025</b>
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 <b>31.03.2025</b>

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
HR Recruitment	10.01.2024	Reasonable	Medium	30.06.2024	31.12.2024 <b>31.03.2025</b>
			Medium	30.06.2024	31.03.2025
Fraud Framework	15.03.2024	Reasonable	Medium	30.09.2024	31.01.2025 <b>30.04.2025</b>
Risk Management	21.05.2024	Reasonable	Medium	30.11.2024	31.03.2025
Business Continuity	28.06.2024	Limited	Medium	31.12.2024	28.02.2025 <b>31.03.2025</b>
			Low	31.12.2024	28.02.2025 <b>31.03.2025</b>
Information Governance	07.10.2024	Limited	Medium	31.12.2024	31.03.2025
			Low	31.10.2024	31.03.2025