



Southern Internal Audit Partnership

Assurance through excellence
and innovation

EPSOM & EWELL BOROUGH COUNCIL INTERNAL AUDIT PROGRESS REPORT

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June 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.’

With effect from 1 April 2025, the ‘Standards’ against which internal audit within the public sector must conform are those laid down in the Global Internal Audit Standards, Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements are referred to as the Global Internal Audit Standards in the UK Public Sector.

The Southern Internal Audit Partnership have made all necessary adaptations to its processes, procedures and practices to ensure it is best placed to conform with these requirements with effect from 1 April 2025.

Prior to 1 April 2025 conformance was required with the Public Sector Internal Audit Standards (PSIAS). Consequently, in fulfilling the audit mandate and delivery of internal audit service for the purposes of the 2024-25 internal audit delivery the PSIAS remain the relevant Standards.

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

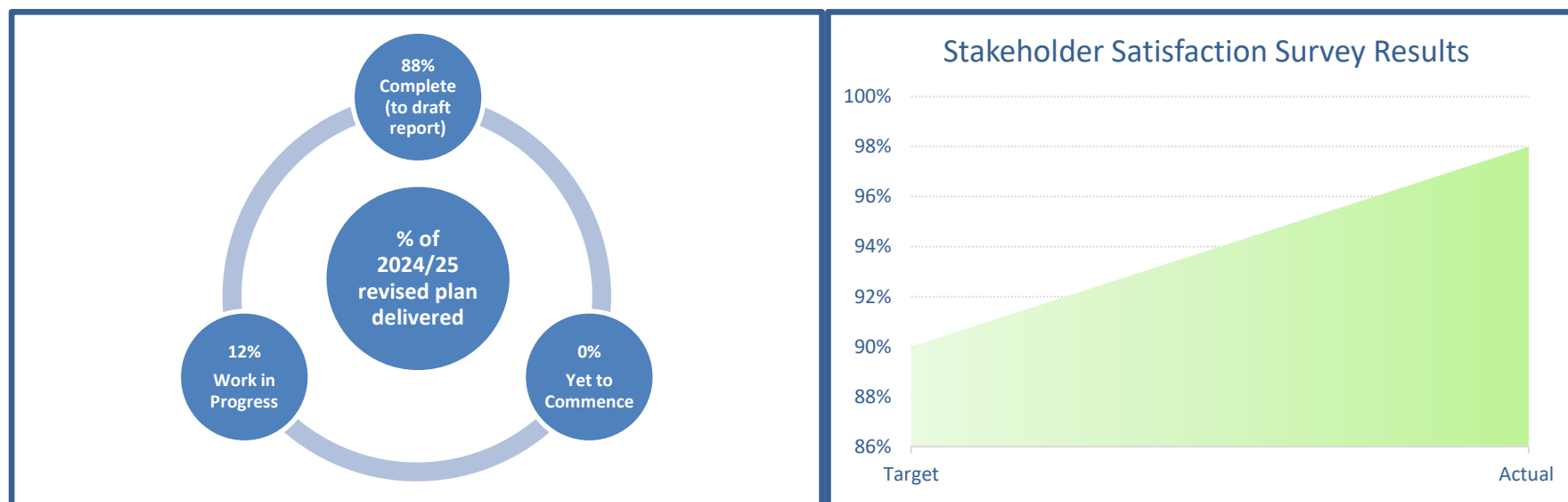
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

- 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:

Substantial	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.
Reasonable	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.
Limited	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.
No	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 May 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	
Ethical Governance	11.05.2023	HofP&CR	Reasonable	11(2)	0(0)	8(2)		3	
Risk Management	21.05.2024	ADCS	Reasonable	7(0)	0(0)	6(0)		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)	1(0)	9(4)			1
Safeguarding	27.03.2025	HofH&C	Reasonable	5(0)	3(0)	2(0)			
Housing Allocations Policy	12.05.2025	HofH&C	Reasonable	5(0)	3(0)	2(0)			
Exempt/Restricted Items				30(8)	6(0)	11(4)	2	7	4
Total				98(24)	15(0)	61(19)	4	13	5

*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
Reviews carried forward from previous years								
Main Accounting	CFO	✓	✓	✓	✓	✓	Limited	
Information Governance	ADofCS	✓	✓	✓	✓	✓	Limited	
Capital Programme	HofP&R	✓	✓	✓	✓	✓	Reasonable	
Accounts Payable	HofF	✓	✓	✓	✓	✓	Reasonable	
2024/25								
Relocation of Town Hall	DCE	✓	✓	✓	✓	✓	n/a	Position Statement
Human Resources – Use of Volunteers	HofP&OD	✓	✓	☑				
Financial Governance Framework (including Savings Realisation)	DofCS	✓	✓	✓	✓	✓	Substantial	
Decision Making & Accountability	HofLDS	✓	✓	✓	☑			Draft report issued 13.6.2025
EEPIC – Governance Arrangements	HofP&R	✓	✓	✓	☑			Draft report issued 3.7.2025
IT Strategy	HofICT	✓	✓	✓	✓	✓	n/a	Position Statement
Treasury Management	DofCS	✓	✓	✓	✓	☑	Reasonable	
Payroll	HofP&OD	✓	✓	✓				Close of audit held, report pending

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comments
Playgrounds	HofOS	✓	✓	✓	☑		Limited	Draft report issued 28.5.2025
Planning Enforcement	HofPD	✓	✓	✓	☑			Draft report issued 13.6.2025
Asset Management – Management of Leases and Rents	HofP&R	✓	✓	☑				
Housing Allocations Policy	HofH&C	✓	✓	✓	✓	☑	Reasonable	
Env Health – Food Hygiene	HofH&C	✓	✓	✓	✓	✓	No	
Safeguarding	HofH&C	✓	✓	✓	✓	☑	Reasonable	
Follow Up – Community Infrastructure Levy (CIL)	HofH&C	✓	✓	✓	☑	☑	n/a	
Follow Up – Affordable Housing	HofH&C	✓	✓	✓	☑	☑	n/a	
Follow Up – Community Health & Wellbeing	HofH&C	✓	✓	✓	☑	☑	n/a	
EWDC Conservators Account	DofCS	✓	✓	✓	n/a	✓	n/a	

☑ - This symbol reflects the progress that has been made since the last progress report was presented to the Audit & Scrutiny Committee on 27 March 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 have been the following adjustments 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.
Tree Management	Audit start delayed due to SIAP availability. To be delivered in Q1 of 2025/26. (The days allocated to the audit have been carried forward to 2025/26.)

Overdue 'High Priority' Management Actions

Environmental Health Food Safety – No Assurance**Observation:**

At present, the Council is not fulfilling its duty to deliver inspections in accordance with the Food Law Code of Practice.

The Food Safety Service Plan has been drafted and proposes only to complete, within a 12 month period, "100% of A and B rated establishments" (of which there are only 24 across the Borough, 2 being A rated) and only "40% of C and D rated establishments" (of which there are 243 in the Borough). The remaining 329 food businesses are either E rated or are presently unrated pending an initial inspection. The Council does not envisage being in a position to complete any of the later inspections.

We were advised that new businesses are provisionally screened based on the information provided at registration. If the activities reported are considered potentially high risk, this is treated as a high risk business provisionally, and the first inspection is to be performed with priority. For all non-high risk businesses, based on registration information, these are classed as unrated until they receive their initial inspection. Initial inspection frequency is driven by the provisional risk rating as above. Therefore, those premises considered unrated are those considered to be lower risk.

Whilst this prioritisation may be considered by the Council to be the best use of available resources, it is an acknowledgement that the Council will fail in its duty to have inspected the majority of C and D rated establishments, and all E or unrated businesses.

There are establishments of the lowest risk rating (E) and those "unrated" which were recorded as having last been inspected so far back as 2010, and a much larger amount that have not been inspected in the last 5 years or not at all (particularly low-rated newly registered businesses). We are advised that these E rated businesses have been permitted (by the Council) to self assess in the absence of an actual regulatory inspection, whilst resources are focused on those of higher risk.

Currently, in total, of 596 businesses across the Borough, 171 (28%) are overdue inspections and 122 (16%) have not yet been inspected at all. This does also not account for "re-inspections" that may be due.

Management Action	Original Due Date	Revised Due Date	Latest Service Update From Action Owner
Recruit an additional qualified and competent EHO or food safety officer.	31.03.2025	31.03.2026	No suitably qualified candidates applied for the vacancy associated with national shortage of Environmental Health Practitioners. Position being filled by agency at present.

Overdue 'Low & 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 28.03.2025 31.08.2025
Affordable Housing Delivery	03.01.2023	Limited	Medium	31.12.2024	31.12.2026
Ethical Governance	11.05.2023	Reasonable	Medium	31.07.2023	31.03.2024 30.09.2024 31.03.2025 30.09.2025
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 31.03.2025 31.10.2025
			Medium	31.03.2024	30.06.2024 30.09.2024 31.12.2024 31.03.2025 31.10.2025
Risk Management	21.05.2024	Reasonable	Medium	30.11.2024	31.03.2025 31.07.2025
Information Governance	07.10.2024	Limited	Medium	31.12.2024	31.03.2025 31.08.2025
			Low	31.10.2024	31.03.2025 31.08.2025