Southern Internal Audit Partnership

Assurance through excellence and innovation

Internal Audit Progress Report Epsom & Ewell Borough Council – August 2025

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1. Internal Audit Mandate

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

- '5. (1) A relevant authority 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.
- (2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—
 - (a) make available such documents and records; and
 - (b) supply such information and explanations

as are considered necessary by those conducting the internal audit.'

The role of internal audit is best summarised through its definition within the Standards, as an:

'An independent, objective assurance and advisory service 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 governance, risk management, and control 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.

2. Internal Audit Standards

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.

3. Purpose of Report

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

- o The monitoring of 'live' internal audit reports
- o an update on progress against the annual audit plan and any subsequent revisions
- o acknowledgement of any actual or perceived impairments to internal audit independence
- o internal audit performance, planning and resourcing issues
- o results of audit assignments and insights.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of controls in place focusing on those designed to mitigate risks to the achievement of management objectives of the service area under review. 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.

4. Resourcing

As Chief Internal Auditor I maintain responsibility for ensuring that there is a sufficient level of resource available, supported by an appropriate range of knowledge, skills, qualifications and experience to deliver the internal audit plan (2025/26) and in the fulfilment of the audit mandate and delivery of the internal audit strategy.

- Human Resource the Southern Internal Audit Partnership has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and risk-based audit plan.
- Financial Resource the Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit mandate and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.
- Technological Resource the internal audit function has the technology to support the internal audit process and regularly evaluates technological resources in pursuit of opportunities to improve effectiveness and efficiency.

The Southern Internal Audit Partnership are currently experiencing a higher than average level of attrition resulting in vacancies at auditor, senior auditor and audit manager level. With the time lapse between an individual leaving the organisation and the recruitment and onboarding of new staff there will be an inevitable impact on capacity over the short-term.

The Southern internal Audit Partnership have contingency arrangements in place to mitigate such eventualities with opportunity to attain additional support through peer Partnerships or established frameworks. Whilst there will be no financial impact to the Council, there may be some minor slippage in delivery of the quarter 2 / 3 plan whilst contingency arrangements are put in place.

Recruitment across existing vacancies is well progressed and I remain confident as your chief internal auditor that the 2025/26 internal audit plan will be sufficiently delivered enabling me to provide a timely Annual Conclusion.

5. Independence

As your chief internal auditor, I retain no roles or responsibilities that have the potential to impair my independence, either in fact or appearance. Internal auditors engaged in the delivery of the 2025-26 internal audit plan have had no direct operational responsibility or authority over any of the activities reviewed. I can confirm there has been no interference encountered relating to the scope, performance, or communication of internal audit work during the year to date in the delivery of the internal audit plan or the fulfilment of the internal audit mandate.

6. Impairments

There have been no impairments to internal audit activity during the year. The internal audit function has remained free from all conditions that threaten our ability to carry out responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. The internal audit team have maintained an unbiased mental attitude allowing them to perform engagements objectively enabling them to believe in their work product, with no compromise to quality, and no subordination to their judgment on audit matters, either in fact or appearance.

7. Rolling Work Programme

The internal audit plan for 2025-26 was originally presented to Senior Management and approved by the Audit and Scrutiny Committee in March 2025. 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 below.

Audit Review	Sponsor	Scoping	ToR	Fieldwork	Draft	Final	Assurance	Comment
Addit Neview	Sporisor	Held	Issued	Start	Report	Report	Opinion	Comment
2024/25 Reviews								
Playgrounds	HofOS	15.08.24	10.09.24	09.10.24	28.05.25	27.08.25	Limited	
EEPIC Governance Arrangements	HofP&R	10.10.24	20.11.24	20.11.24	03.07.25			
Payroll	HofP&OD	15.01.25	11.02.25	14.03.25				
Asset Management	HofP&R	16.01.25	04.04.25	09.05.25				
HR Use of Volunteers	HofP&OD	27.02.25	20.03.25	12.05.25	28.08.25			
2025/26 Reviews								
Tree Preservation Orders	HofDM&E	08.11.24	17.01.25	27.05.25	31.07.25	09.09.25	Reasonable	
Car Parking	HofH&C	15.05.25	13.06.25	30.06.25	15.09.25			
Environmental Health – Houses in Multiple Occupation	HofH&C	13.05.25	12.06.25	09.07.25				
Development Management	HofPD	08.05.25	04.06.25	13.06.25	01.08.25	16.09.25	Reasonable	
Climate Change Strategy	HofPD	01.09.25	17.09.25					
Procurement	ADCS	18.07.25						Agreed testing to be undertaken in October

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
HR – Organisational Capacity/Resilience	HofP&OD							Agreed better timing as Q4 to scope as a vacancy management review
Council Tax	DofCS	09.07.25	31.07.25	05.08.25				
National Non-Domestic Rates	DofCS	23.07.25	01.08.25	19.08.25				

8. Adjustment to the Internal Audit Plan 2025-26

Internal Audit focus continues to be proportionate and appropriately aligned. The plan remains fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, Senior Management, and Audit and Scrutiny Committee, to ensure internal audit are able to react to new and emerging risks and the changing needs of the Council.

Such amendments to the 2025-26 internal audit plan are detailed below with explanations for the proposed amendments.

	Audit Review	Reason for inclusion in the plan
Additions	None	
Additions		
	Audit Review	Reason for removal from the plan
Withdrawals	None	
Withdrawais		

9. Acceptance of Risk

Internal audit reporting protocols are in place to ensure that the scope of work and findings for all assignments are reported appropriately and that agreed management actions are approved by senior management.

Every effort will be made to resolve disagreements that may arise during the audit process. However, if, unresolved issues are considered by internal audit to fall outside of the Council's risk tolerance, these will be escalated to Senior Management and Audit and Scrutiny Committee as deemed necessary.

There are no such instances to report from our delivery of the 2025–26 internal audit plan to date.

10. Executive Summaries of reports published concluding a 'Limited' or 'No' assurance opinion

Title: Playground Maintenance		
Audit Sponsor	Assurance opinion	Management Actions
Interim Head of Service - Streetcare	Limited	3 High 3 Medium 0 Low

Summary of key observations:

Positively, we found that access to the Public Sector Software Live system is restricted to authorised users only, refresher training for users is provider by the software supplier and that photographic evidence of inspections can be uploaded onto the system. We also confirmed that records of post installation inspections for new equipment installed are carried out and clearly recorded. Safety signage is also recorded and subject to inspection.

However, the following areas where the framework of governance, risk management and control could be improved were identified:

- Whilst there is an established process in place regarding inspections and maintenance, there is no policy in place to confirm the current approach. No documented procedures exist for staff to follow and in addition, there is no overall strategy in place to set the direction and objectives of the service.
- For two of the 19 sites we could not find evidence of the annual independent inspection taking place.

- None of the high value equipment is separately listed within the Council's building insurance policy, which the Council's insurer has advised should be.
- Spend on playgrounds cannot be filtered from the wider parks maintenance budget limiting the ability to identify if certain parks are causing any budget pressures.
- Whilst we confirmed that relevant staff carrying out inspections all had up to date Royal Society for the Prevention of Accidents (RoSPA) qualifications, renewal of this qualification is reliant on staff informing the Council of when it is due rather than proactive monitoring of expiry dates being undertaken by the Council.

11. Analysis of 'Live Audit Reviews' (July 2025)

Audit Pavious	Report	Audit	Assurance	Management Actions											
Audit Review	Date	Sponsor Opinion		Agreed			Pending			Complete			Overdue		e
				L	M	Н	L	M	Н	L	M	Н	L	M	Н
Information Security	30/05/2022	HofICT	Reasonable	2	2	1				1	2	1	1		
Affordable Housing Delivery	03/01/2023	HofH&C	Limited		7	7					6	7		1	
Ethical Governance	11/05/2023	HofP&CR	Reasonable	2	7	2				2	6	2		1	
Risk Management	21/05/2024	ADCS	Reasonable		7						6			1	
Information Governance	07/10/2024	ADCS	Limited	5	4	1				5	2	1		2	
Environmental Health – Food Safety	10/12/2024	HofH&C	No	3	3	5			1	3	3	3			1
Safeguarding	27/03/2025	HofH&C	Reasonable		5			1			4				
Housing Allocations Policy	12/05/2025	HofH&C	Reasonable	5			3			2					
Planning Enforcement	11/07/2025	HoPD	Reasonable		1	1		1							1
Playground Maintenance	27/08/2025	HoPD	Limited		3	3		2	3		1				
Tree Preservation Orders	09/09/2025	HofDM&E	Reasonable		3	1		3	1						
Decision Making & Accountability	11/09/2025	HoL	Reasonable	1	1		1				1				
Development Management	16/09/2025	HoPD	Reasonable	1	2		1				2				
Exempt/Restricted Items				4	25	10		7	1	1	10	5	3	8	4
Total				23	70	31	5	14	6	14	43	19	4	13	6

Annex 1

Overdue 'High Priority' Management Action (July 2025)

Food Safety – No Assurance

Observation:

At present, the Council is not fulfilling it 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.

Risk: If the Council does not complete its inspections, it is failing to meet its core statutory obligation.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Recruit an additional qualified and competent EHO or food safety officer.	31/03/2025		No suitably qualified candidates applied for the vacancy associated with national shortage of Environmental Health Practitioners. Position being filled by agency at present.

Planning Enforcement – Reasonable Assurance

Observation:

In the 2023/24 internal audit it was found that there was no documented guidance to set out the expectations of management regarding the administration of planning enforcement cases and the evidence required to support action taken, or on where the supporting evidence should be retained. At the time of this review, it was discussed with the Planning Development and Enforcement Manager to find that although a manual has been started (November 2024) it has yet to be signed off and completed. Further to this, we tested a sample of enforcement complaints which had gone through the appeals process to ensure that when an appeal is processed, assessment and evidence has been retained and signed off within Uniform. However, we were advised by the Enforcement Officer, that there had been some inconsistencies related to sending notifications to the stakeholders involved in the appeals process, and that the current process therefore requires an update. We understand that this is known and is planned to be resolved, but at the time of our review had not yet been completed.

Risk: Misunderstanding of how and when to complete activities within the end-to-end enforcement process will cause inconsistencies, error and delay.

	Management Action	Original Due Date	Revised Due Date	Latest Service Update
An Enfo	cement Manual is currently being drafted and will be	11/07/2025	31/08/2025	Finalisation of Enforcement Manual is progressing slower than
complet	ed shortly. The Manual will include details of how to			hoped due to other commitments.
deal wit	n appeals.			'

Overdue 'Low & Medium Priority' Management Actions (July 2025)

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
IT Information Security			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	03/01/2025	Limited		Medium	31/12/2024	31/12/2026 30/04/2026
Ethical Governance				Medium	31/07/2023	30/06/2024 30/09/2024 31/03/2025 30/09/2025
Risk Management	21/05/2024	Reasonable		Medium	31/11/2024	31/03/2025 31/08/2025 30/09/2025
				Medium	31/12/2024	31/03/2025 31/08/2025
Information Governance	07/10/2024	Limited		Medium	31/10/2024	31/03/2025 31/07/2025 30/09/2025
Total	1	5				

Annex 3

Southern Internal Audit Partnership - Performance Measures

	Performance Measure	Regularity	Target	Actual 25/26	Status	Direction of Travel
1.	Percentage of the agreed audit plan completed (issue of draft / final report)	Ongoing	90%	33% *		n/a
2.	Audits delivered within agreed timescales (% year to date)		•		•	•
	o To issue of draft report	Ongoing	80%	67% *		n/a
	 To issue of final report 	Ongoing	80%	50% *		n/a
3.	Conformance with the Global Internal Audit Standards in the UK Public Sector	Annual	Conforms	Conforms**		\Leftrightarrow
4.	Audits conducted optimising the effect use of data analytics (% year to date)	Ongoing	60%	60% *		\Leftrightarrow
5.	Stakeholder satisfaction (annual survey)					
	o Audit Committee		90%	99%		1
	 Senior Management 	Annual	90%	99%		1
	o Key Contacts		90%	97%		1
6.	Internal audit effectively communicates with key stakeholders					
	o Audit Committee		90%	99%		n/a
	 Senior Management 	Annual	90%	99%		n/a
	 Key Contacts 		90%	97%		n/a
7.	Sufficiency of input to and discussion of the internal audit plan				•	•
	o Audit Committee	Annual	90%	97%		n/a
	 Senior Management 	Ailiuai	90%	98%		n/a
8.	Appropriate focus on key risks					
	o Audit Committee		90%	97%		n/a
	 Senior Management 	Annual	90%	100%		n/a
	o Key Contacts		90%	97%		n/a

^{*} Cumulative through the year

^{**} Any external quality assessment undertaken under the Public Sector Internal Audit Standards remains valid for the duration of the successive five years (from the date it was undertaken). The Southern Internal Audit Partnership will be commissioning an external quality assessment against the Global Internal Audit Standards in the UK Public Sector during 2025.