

INTERNAL AUDIT PROGRESS REPORT

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
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Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 - Internal Audit Progress Report (October) 2025-26 Appendix 2 – Restricted Item

Summary

As required by the Global Internal Audit Standards in UK Public Sector this report presents the Internal Audit Progress Report (October) 2025-26. The report provides the Audit and Scrutiny Committee with an overview of internal audit activity and assurance work completed in accordance with the approved audit plan and provides an overview of key updates relevant to the discharge of the committee's role in relation to internal audit.

Recommendation (s)

The Committee is asked to:

- (1) Note the internal audit progress report (October) 2025-26 from Southern Internal Audit Partnership (SIAP) attached at Appendix 1.**

1 Reason for Recommendation

- 1.1 In accordance with the Global Internal Audit Standards in the UK Public Sector the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee.

2 Background

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

'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.'

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- 2.2 From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).
- 2.3 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.
- 2.4 In accordance with proper internal audit practices (Global Internal Audit Standards in the UK Public Sector), the Chief Internal Auditor is required to provide a written status report to the Audit & Scrutiny Committee, summarising
- ongoing confirmation or otherwise regarding independence, and impairments [Standard 7.1].
 - a summary of significant issues and escalation of matters of importance [Standard 8.1].
 - overview and sufficiency of resourcing [Standards 8.2, 10.1, 10.2, and 10.3].
 - communication of unresolved issues that fall outside of the Council's risk tolerance [Standard 11.5].
 - update on progress and any changes to the annual audit plan [Standard 9.4].
 - internal audit performance measures [Standard 12.2].
 - status of 'live' internal audit reports and status on the implementation of management actions [Standard 15.2.]
- 2.5 Appendix 1 summarises the activities of internal audit for the period up to October 2025.

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.

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3.4 Dependencies

3.4.1 None for the purposes of this report.

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.

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

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:** The matter is not included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** not applicable.

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- 6.4 **Sustainability Policy & Community Safety Implications:** not applicable.
- 6.5 **Partnerships:** not applicable.
- 6.6 **Local Government Reorganisation Implications:** not applicable.

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 Plan 2025-2026 (Q1-2) and Internal Audit Charter 2025-2026*, 27th March 2025. Audit and Scrutiny Committee (2025) *Internal Audit Plan 2025-2026 (Q3-4)* 30th September 2025. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1523>

Other papers:

- None.