Southern Internal Audit Partnership

Assurance through excellence and innovation

Internal Audit Progress Report Epsom & Ewell Borough Council – October 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:

- 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.

As previously reported, the Southern Internal Audit Partnership experienced a higher than average level of attrition earlier in the year resulting in vacancies at auditor, senior auditor and audit manager level.

Positively, all posts at auditor and senior auditor level have now been filled with additional resource also being added to our specialist IT and data analytic teams. The advert for internal audit manager is currently live with interviews scheduled for November.

It will inevitably take a period of time to fully onboard and induct new staff. The Southern internal Audit Partnership have enacted contingency arrangements for additional support through the appointment of short-term agency staff to manage this period of onboarding.

Whilst there will be no financial impact to the Council, there may be some slippage in delivery of quarter 2 / 3 reviews.

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 (quarter 1 & 2) was originally presented to Senior Management and approved by the Audit and Scrutiny Committee in March 2025, with the plan for quarter 3 & 4 presented accordingly in September 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 Held | ToR Issued | Fieldwork Start | Draft | Final | Assurance Opinion | Comment |
|--|---------|-----------------|---------------|--------------------|----------|----------|-------------------|---|
| 2024/25 Reviews | | пеій | issueu | Start | Report | Report | Opinion | |
| Playground Maintenance | 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 | 27.00.23 | Limited | Awaiting management response |
| Payroll | HofP&OD | 15.01.25 | 11.02.25 | 14.03.25 | 29.10.25 | | | |
| Asset Management | HofP&R | 16.01.25 | 04.04.25 | 09.05.25 | 09.10.25 | | | |
| HR Use of Volunteers | HofP&OD | 27.02.25 | 20.03.25 | 12.05.25 | 28.08.25 | | | Draft final report issued 24.10.25 |
| 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 | 15.10.25 | Reasonable | |
| Environmental Health – Houses in Multiple Occupation | HofH&C | 13.05.25 | 12.06.25 | 09.07.25 | 27.10.25 | | _ | |
| 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 | 03.11.25 | | | - | Fieldwork moved to Q3 at management request |
| Procurement | ADCS | 18.07.25 | 30.07.25 | 27.08.25 | | | | In review |
| Council Tax | DofCS | 09.07.25 | 31.07.25 | 05.08.25 | 21.10.25 | | | |
| National Non-Domestic Rates | DofCS | 23.07.25 | 01.08.25 | 19.08.25 | 22.10.25 | | | |
| Fees and Charges | DofCS | | | | | | | Q3 |
| IT – Cyber Security (Patch Management) | HofICT | | | | | | | Q3 |
| Follow Up – Information Governance | ADCS | | | | | | | Q4 |
| Follow Up – IT Cyber Security (Training and Awareness) | HofICT | | | | | | | Q4 |
| HR – Organisational Capacity/Resilience | HofP&OD | | | | | | | Q4 (moved from Q2) |

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 | |
| 710.0110.110 | | |
| | | |
| | Audit Review | Reason for removal from the plan |
| Withdrawals | None | |
| Witharawais | | |
| | | |

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

No final reports have been published concluding with a 'no' or 'limited' assurance opinion since our previous progress report.

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

| Audit Daviess | Report | Audit | Assurance | Management Actions | | | | | | | | | | | |
|----------------------------------|------------|---------|------------|--------------------|--------|----|---------|----|---|----------|----|----|---------|----|---|
| Audit Review | Date | Sponsor | or Opinion | | Agreed | | Pending | | | Complete | | | Overdue | | |
| | | | | L | M | Н | L | M | Н | L | M | Н | L | М | Н |
| 2021/22 Reviews | | | | | | | | | | | | | | | |
| 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 | |
| 2022/23 Reviews | | | | | | | | | | | | | | | |
| Ethical Governance | 11/05/2023 | HofP&CR | Reasonable | 2 | 7 | 2 | | | | 2 | 5 | 2 | | 2 | |
| 2024/25 Reviews | | | | | | | | | | | | | | | |
| Information Governance | 07/10/2024 | ADCS | Limited | 5 | 4 | 1 | | | | 5 | 2 | 1 | | 2 | |
| Safeguarding | 27/03/2025 | HofH&C | Reasonable | | 5 | | | 1 | | | 4 | | | | |
| Housing Allocations Policy | 12/05/2025 | HofH&C | Reasonable | 5 | | | 1 | | | 2 | | | 2 | | |
| Planning Enforcement | 11/07/2025 | HoPD | Reasonable | | 1 | 1 | | 1 | | | | | | | 1 |
| Playground Maintenance | 27/08/2025 | HoPD | Limited | | 3 | 3 | | 2 | | | 1 | | | | 3 |
| Decision Making & Accountability | 11/09/2025 | HoL | Reasonable | 1 | 1 | | 1 | | | | 1 | | | | |
| 2025/26 Reviews | | | | | | | | | | | | | | | |
| Tree Preservation Orders | 09/09/2025 | HofDM&E | Reasonable | | 3 | 1 | | 2 | 1 | | 1 | | | | |
| Development Management | 16/09/2025 | HoPD | Reasonable | 1 | 2 | | 1 | | | | 2 | | | | |
| | | | | | | | | | | | | | | | |
| Exempt/Restricted Items | | | | 4 | 22 | 6 | | 6 | 1 | 2 | 10 | 4 | 2 | 6 | 1 |
| Total | | | | 20 | 57 | 22 | 3 | 12 | 2 | 12 | 34 | 15 | 5 | 11 | 5 |

Annex 1

Overdue 'High Priority' Management Action

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 | Revised | Latest Service Update |
|--|-----------------|-----------------|---|
| ivianagement Action | Due Date | Due Date | Latest Service Opuate |
| An Enforcement Manual is currently being drafted and will be | 11/07/2025 | 31/08/2025 | Ongoing resourcing issue preventing completion. |
| completed shortly. The Manual will include details of how to | | 30/09/2025 | |
| deal with appeals. | | 31/10/2025 | |
| | | 31/01/2026 | |

Playground Maintenance – Limited Assurance

Observation:

Whilst our review has found that there is an established process in place regarding inspections and maintenance, there is no agreed policy to confirm the current approach. There are also no documented procedures for staff to follow and therefore the current process is reliant on the team's knowledge and awareness and if anything did change there is a risk that these standards are not retained.

We were advised that the risk rating of repair works is mirrored to the criteria provided within the RoSPA training and whilst this appears reasonable, without this being documented there is no evidence to confirm this aligns with the Council's overall risk tolerance. By documenting this process and clearly expressing within policy and procedure documentation this could help to ensure consistency.

In addition, no documented strategy is in place to set the overall direction and objectives of the service.

Risk:

Provision and/or availability of playground equipment does not align with need or with current safety or accessibility standards. If roles and responsibilities are not defined, staff maybe unaware of the tasks to be undertaken and inconsistencies could occur.

| Management Action | Original Due Date | Revised Due Date | Latest Service Update |
|--|-------------------|---------------------|---|
| Create a policy document to reflect the established process regarding inspections and maintenance. | | | All documents have been created and are being submitted to Senior Leadership Team on 30/10/25 for review. |
| Create documented procedures for staff to follow. | 30/09/25 | 30/11/25 | • |
| Develop an overall strategy to set the direction and objectives of the service. | 30/09/25 | 30/11/25 | |

Overdue 'Low & Medium Priority' Management Actions

Annex 2

| Audit Review | Report Date | Opinion | Priority | | Due Date | Revised Due Date |
|-------------------------------|--------------------|------------|----------|------------|--------------|------------------------------|
| | | | Low | Medium | | |
| | | | | | 31/12/2022 | 30/05/2024 |
| | | | | | | 01/09/2024 |
| | | | | | | 31/12/2024 |
| IT Information Security | | | Low | | | 28/02/2025 |
| | | | | | | 28/03/2025 |
| | | | | | 31/08/2025 | |
| | | | | | 31/12/2024 | 31/10/2025 31/12/2025 |
| Affordable Housing Delivery * | 03/01/2023 Limited | | | Medium | 31/12/2024 | 30/04/2026 |
| | | | Medium | 31/07/2023 | 30/06/2024 | |
| | | | | | 0=, 0:, =0=0 | 30/09/2024 |
| | | | | Medium | | 31/03/2025 |
| Ethical Governance | 11/05/2023 | Reasonable | | | 30/09/2025 | |
| | | | | | | 31/10/2025 |
| | | | | Medium | 31/03/2024 | 31/10/2025 |
| | | | | Medium | 31/12/2024 | 31/03/2025 |
| Information Governance | 07/10/2024 | Limited | | Medium | | 31/08/2025 |
| information dovernance | 07/10/2024 | Lillited | | Medium | 31/07/2025 | 30/09/2025 |
| | | | | Mediaiii | | 31/10/2025 |
| Housing Allocations Policy | 12/05/2025 | Reasonable | Low | | 30/09/2025 | 31/10/2025 |
| Housing Anocations Policy | 12/05/2025 | reasonable | Low | | 30/09/2025 | 28/10/2025 |
| | | _ | | | | |
| Total | 3 | 5 | | | | |

^{*} The likelihood is that this outstanding management action will not be implemented as it can only be considered once the local plan has been adopted and therefore timing may be prohibitive in light of LGR.

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% | 46% * | | 1 |
| 2. | Audits delivered within agreed timescales (% year to date) | • | | • | • | |
| | o To issue of draft report | Ongoing | 80% | 33% * | | \Leftrightarrow |
| | o To issue of final report | Ongoing | 80% | 33% * | | 1 |
| 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% * | | n/a |
| 5. | Stakeholder satisfaction (annual survey) | | | | | - |
| | o Audit Committee | | 90% | 99% | | |
| | o 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 |
| | o Senior Management | Annual | 90% | 99% | | n/a |
| | o 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 |
| | o Senior Management | Allilual | 90% | 98% | | n/a |
| 8. | Appropriate focus on key risks | · | | | | · |
| | o Audit Committee | | 90% | 97% | | n/a |
| | o 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.