



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

TANDRIDGE DISTRICT COUNCIL
INTERNAL AUDIT PROGRESS REPORT – 2023/24

Prepared by: Natalie Jerams, Deputy Head of Partnership

February 2024

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

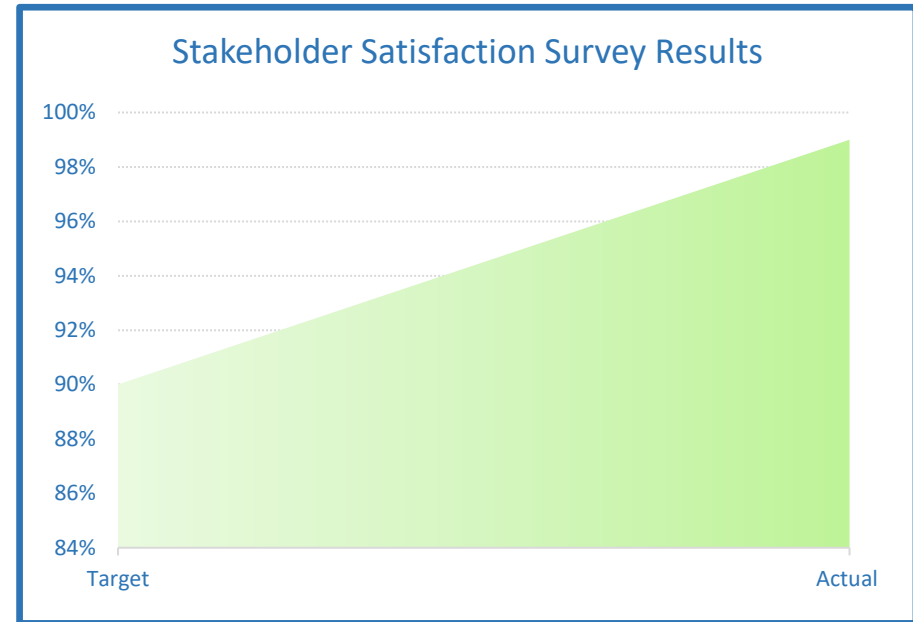
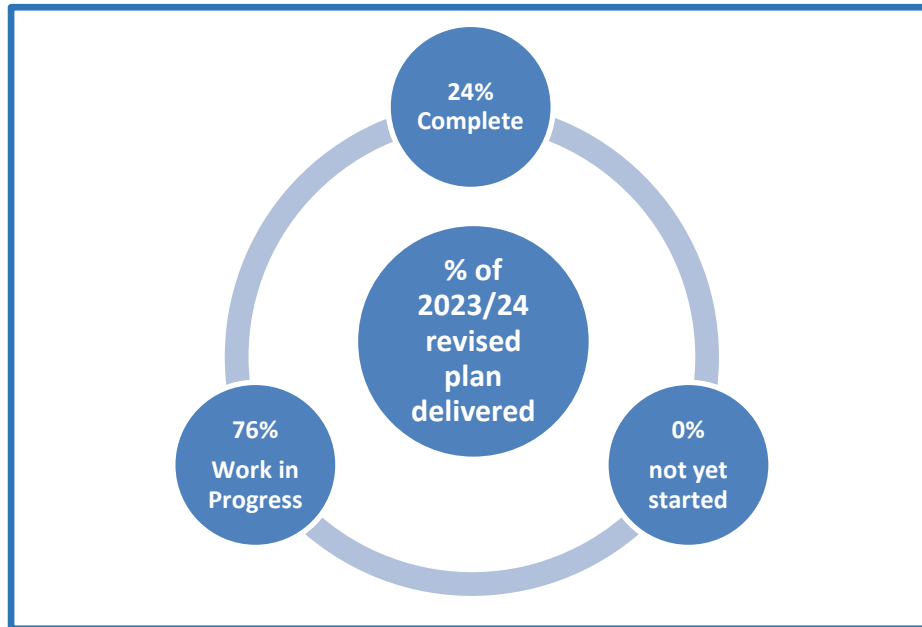
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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:

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

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)*	Not Yet Due*	Complete*	Overdue		
							L	M	H
Income Collection	08.08.22	DofR	Reasonable	5(0)	0(0)	4(0)		1	
Business Continuity & Emergency Planning	08.09.22	HofC	Limited	12(11)	0(0)	11(10)			1
Environmental Health & Licensing	08.02.23	HofH	Reasonable	6(0)	1(0)	5(0)			
Accounts Payable	15.06.23	DofR	Reasonable	8(2)	0(0)	7(2)		1	
IT Application Management (Orchard)	16.08.23	DofR	Limited	20(10)	1(0)	19(10)			
Accounts Receivable & Debt Management	31.10.23	DofR	Reasonable	6(2)	4(0)	2(2)			
IT Disaster Recovery	13.11.23	DofR	Reasonable	8(0)	0(0)	6(0)	1	1	
Payroll	25.01.24	DofR	Limited	6(1)	3(0)	2(0)			1
Main Accounting	26.01.24	DofR	Limited	5(3)	5(3)	0(0)			
Total				76(29)	14(3)	56(24)	1	3	2

**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 published concluding a “limited” assurance opinion since our last progress report presented to Audit & Scrutiny Committee in February 2024.

6. Planning & Resourcing

The internal audit plan for 2023/24 was presented to the Management Team and the Audit & Scrutiny Committee in April 2023.

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	Comment
2022/23 (carry forward)								
Health and Safety	HofE	✓	✓	✓	✓			Incorporated within the 2022/23 Annual Report & Opinion.
Main Accounting	DofR	✓	✓	✓	✓	☑	Limited	
Payroll	DofR	✓	✓	✓	✓	✓	Limited	
Operational Services	HofE	✓	✓	✓	✓	☑	n/a	Position statement.
Follow Up – Building Control	HofBC	✓	✓	✓	☑			
2023/24								
Corporate								
Savings Realisation / FTP	DofR	✓	✓	✓				Close of audit held, report pending.
Asset Management – Statutory Checks	DofR	✓	✓	✓				
Governance								
Human Resources & OD	DofR	✓	✓	☑				

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Ethical Governance	HofL&DS	☑	☑	☑				
IT								
IT Disaster Recovery	DofR	✓	✓	✓	✓	✓	Reasonable	
Security of IT Assets	Dof R	☑	☑	☑				
Core Financial Reviews								
Council Tax	DofR	✓	✓	✓				
NNDR	DofR	✓	✓	✓	☑			
Service Reviews								
Operational Services - Tree Inspections	HofE	✓	☑					
Homes for Ukraine	HofH	✓	✓	✓	✓	✓	Substantial	
Development Management	CPO	✓	☑	☑				
Community Infrastructure Levy/ S106	CPO	✓	☑					
Leisure Centres – Governance	HofC	✓	✓	✓	☑			
Other								
Follow Up – Fraud Framework	DofR	✓	✓	✓	☑	☑	n/a	
Follow Up – Contract Management	DofR	✓	✓	☑				
Follow Up – BC & Emergency Planning	HofC	✓	✓	☑	☑	☑	n/a	
Follow Up - Safeguarding	HofC	✓	✓	☑	☑			

☑ - This symbol reflects the progress that has been made since the last progress report was presented to the Audit & Scrutiny Committee on 6th February 2024.

Audit Sponsor					
CE	Chief Executive	DCE	Deputy Chief Executive	DofR	Director of Resources
HofL&DS	Head of Legal & Democratic Services	CPO	Chief Planning Officer	HofP&C	Head of Policy & Communications
HofE	Head of Environment	HofC	Head of Communities	HofH	Head of Housing
HofBC	Head of Building Control	HofA&R	Head of Assets & Regeneration		

8. Adjustment to the Internal Audit Plan

There have been the following amendments to the 2023/24 plan to date.

Plan Variations for 2023/24	
Added to the plan	Reason
Community Infrastructure Levy (CIL) / S106	To review the collection and distribution of CIL/S106.
Security of Assets	To review policy and processes in place for the secure retention and removal of IT assets
Removed from the plan	Reason
Housing Voids	Reschedule to enable completion of the ongoing service review in this area.
Cyber Security	Replaced by higher priority review of Security of IT Asset following loss / theft of laptops earlier in the year