



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

TANDRIDGE DISTRICT COUNCIL
INTERNAL AUDIT PROGRESS REPORT – AUGUST 2024

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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

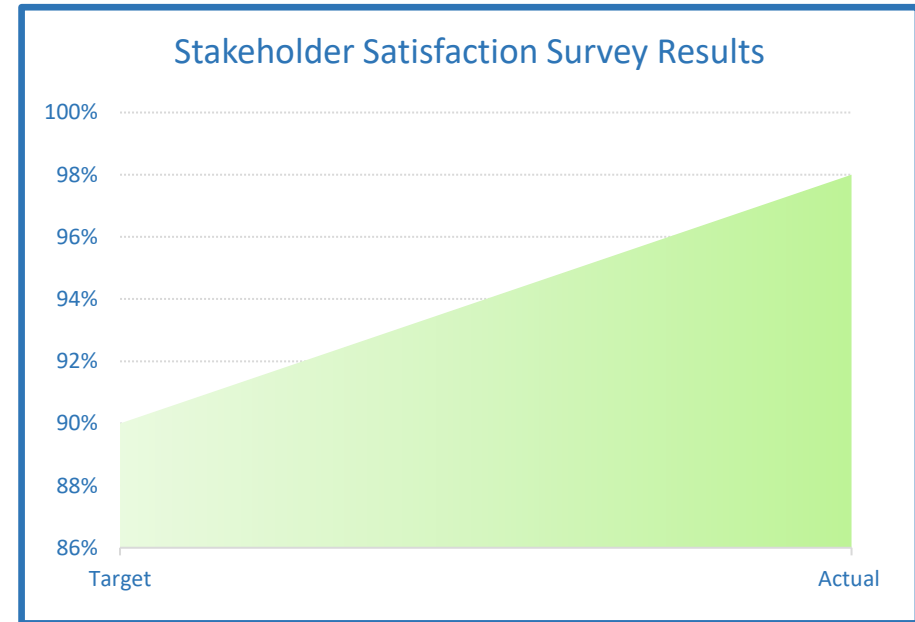
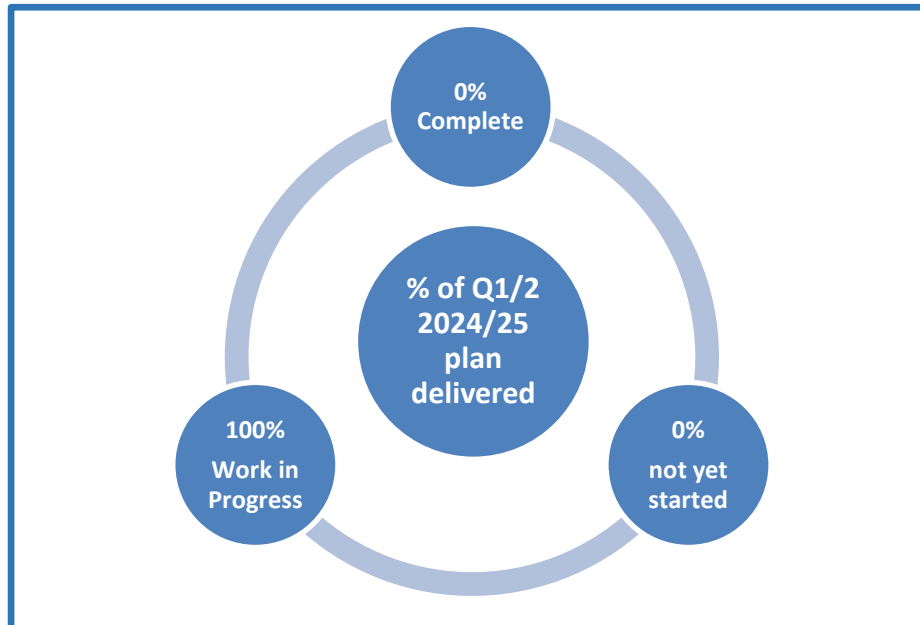
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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	
Accounts Receivable & Debt Management	31.10.23	DofR	Reasonable	6(2)	0(0)	2(2)		4	
IT Disaster Recovery	13.11.23	DofR	Reasonable	8(0)	0(0)	7(0)		1	
Main Accounting	26.01.24	DofR	Limited	5(3)	0(0)	4(3)		1	
NNDR	29.05.24	DofR	Reasonable	8(5)	2(1)	6(4)			
Leisure Centres – Governance Arrangements	17.06.24	HofC	Limited	10(2)	3(1)	6(1)	1		
Asset Management (Statutory Checks)	25.06.24	HofH/PSM	No	21(8)	6(0)	12(6)		1	2
Ethical Governance	27.06.24	HofL&DS	Reasonable	6(5)	1(0)	5(5)			
Health and Safety	01.07.24	HofE	Limited	5(2)	5(2)	0(0)			
HR – Recruitment & Leavers	04.07.24	DofR	Reasonable	4(4)	1(1)	3(3)			
Total				104(44)	19(5)	72(36)	1	9	3

**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 in April 2024.

6. Planning & Resourcing

To ensure internal audit focus remains timely and relevant to the changing needs and requirements of the organisation SIAP have adopted an approach of quarterly planning. The quarter 1 & 2 plans were approved by the Management Team and the Audit & Scrutiny Committee in April and July 2024 respectively. SIAP will continue to liaise with key stakeholders over the remainder of the year to develop ongoing quarterly plans.

The rolling work programme (section 7 below) outlines audit activity for 2024/25 to date.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Carry forward								
Health and Safety	HofE	✓	✓	✓	✓	☑	Limited	Incorporated within the 2022/23 Annual Report & Opinion.
Follow Up – Building Control	HofBC	✓	✓	✓	☑		n/a	
2023/24								
Savings Realisation / FTP	DofR	✓	✓	✓	☑	☑	Substantial	Incorporated within the 2023/24 Annual Report & Opinion.
Asset Management – Statutory Checks	DofR	✓	✓	✓	☑	☑	No	
Human Resources & OD	DofR	✓	✓	☑	☑	☑	Reasonable	
Ethical Governance	HofL&DS	☑	☑	☑	☑	☑	Reasonable	
IT Disaster Recovery	DofR	✓	✓	✓	✓	✓	Reasonable	
NNDR	DofR	✓	✓	✓	☑	☑	Reasonable	

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Homes for Ukraine	HofH	✓	✓	✓	✓	✓	Substantial	
Development Management	CPO	✓	☑	☑	☑		Limited	
Leisure Centres – Governance	HofC	✓	✓	✓	☑	☑	Limited	
Follow Up – Fraud Framework	DofR	✓	✓	✓	☑	☑	n/a	
Follow Up – Contract Management	DofR	✓	✓	☑	☑	☑	n/a	
Follow Up – BC & Emergency Planning	HofC	✓	✓	☑	☑	☑	n/a	
Follow Up - Safeguarding	HofC	✓	✓	☑	☑	☑	n/a	
Council Tax	DofR	✓	✓	✓	☑			
Community Infrastructure Levy/ S106	CPO	✓	☑	☑	☑			
Security of IT Assets	DofR	☑	☑	☑	☑	☑	n/a	
2024/25 (Q1/2)								
Information Governance (FOIs)	HofL&DS	☑	☑	☑	☑			
Asset Management – Tenancy and Income Management	HofA&R	☑	☑	☑				Close of audit held, report pending.
Housing Allocations	HofH	☑	☑	☑	☑			
Financial Strategy	DofR	☑	☑					
Housing Benefits	DofR	☑	☑					
Cyber Security (Firewall Management)	DofR	☑						

☑ - This symbol reflects the progress that has been made since the last progress report was presented to the Audit & Scrutiny Committee on 11th April 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 no amendments to the 2024/25 plan to date.