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# **Southern Internal Audit Partnership**

Assurance through excellence  
and innovation

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## **TANDRIDGE DISTRICT COUNCIL INTERNAL AUDIT PLAN 2024-25 (Q3)**

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**September 2024**

## Introduction

The role of internal audit is that of an:

*'Independent, objective assurance and consulting activity 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 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 organisation's objectives.

The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council's objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of Internal Audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant Directors and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership's continued contact and liaison with those responsible for the governance of the Council.

## Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Natalie Jerams, Deputy Head of Southern Internal Audit Partnership and supported by Joanne Barrett, Audit Manager.

## Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2020 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team 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.'*

## Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team which are required to be disclosed under internal auditing standards.

## Corporate Plan 2024 - 2028

The Council has developed a Corporate Plan for 2024-2028 setting out six key priorities:

1. Protecting and enhancing our environment.
2. Delivering affordable housing for local people.
3. Financial prudence and sustainability.
4. Putting residents at the heart of what we do.
5. A safe, healthy and caring community supporting those most in need.
6. A thriving economy.

## Council Risk

The Corporate risks assessed by the Council are a key focus of our planning for the year to ensure it meets the organisation's assurance needs and contributes to the achievement of their objectives. We will monitor the corporate risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Residual Risk Score	Risk Description
15	H6 - Inability to procure compliance contracts due to lack of resource.
12	P1 - Lack of up-to-date adopted district wide local plan makes resisting inappropriate green belt applications more challenging.
12	P2 - Lack of five year housing land supply, including gypsy and traveller land.
12	P3 - Lack of capacity in planning team, difficulty in recruiting permanent staff and issues with IT systems negatively impacts performance.
12	H1 - Council fails to deliver the target number of properties in the Council House Building Programme, due to poor performance of the contractor, planning delays, unplanned costs, availability of materials and utility providers.
12	CS3 - Delays in monitoring council owned trees and impact of Ash dieback creates greater risk of tree falls.
9	SR4 - Failure to meet rental income targets due to market difficulties of renting out council assets and current business tenants not able to make rent payments.
9	SR9 - Delivering climate change action plan in set timescales.
9	SR10 – Organisational capacity to deliver is impacted.
8	CS5 - Termination of the agreement with Freedom Leisure to deliver Leisure services at the Village Health and Tandridge Leisure Pool.
8	SR5 - Council is subject to a cybersecurity attack.

Residual Risk Score	Risk Description
6	SR1 - Inability of Council to make savings as identified in the Medium-Term Financial Strategy and to deliver a balanced outturn for 2023/24 and 2024/25.
6	SR12 - Corporate Health and Safety policies and procedures not in place.
6	SR13 - Future Tandridge Programme including Digital Transformation Programme.

\*Corporate Risks as at June 2024

## Developing the internal audit plan 2024/25 (Q3)

In accordance with the Public Sector Internal Audit Standards there is a requirement that internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals.

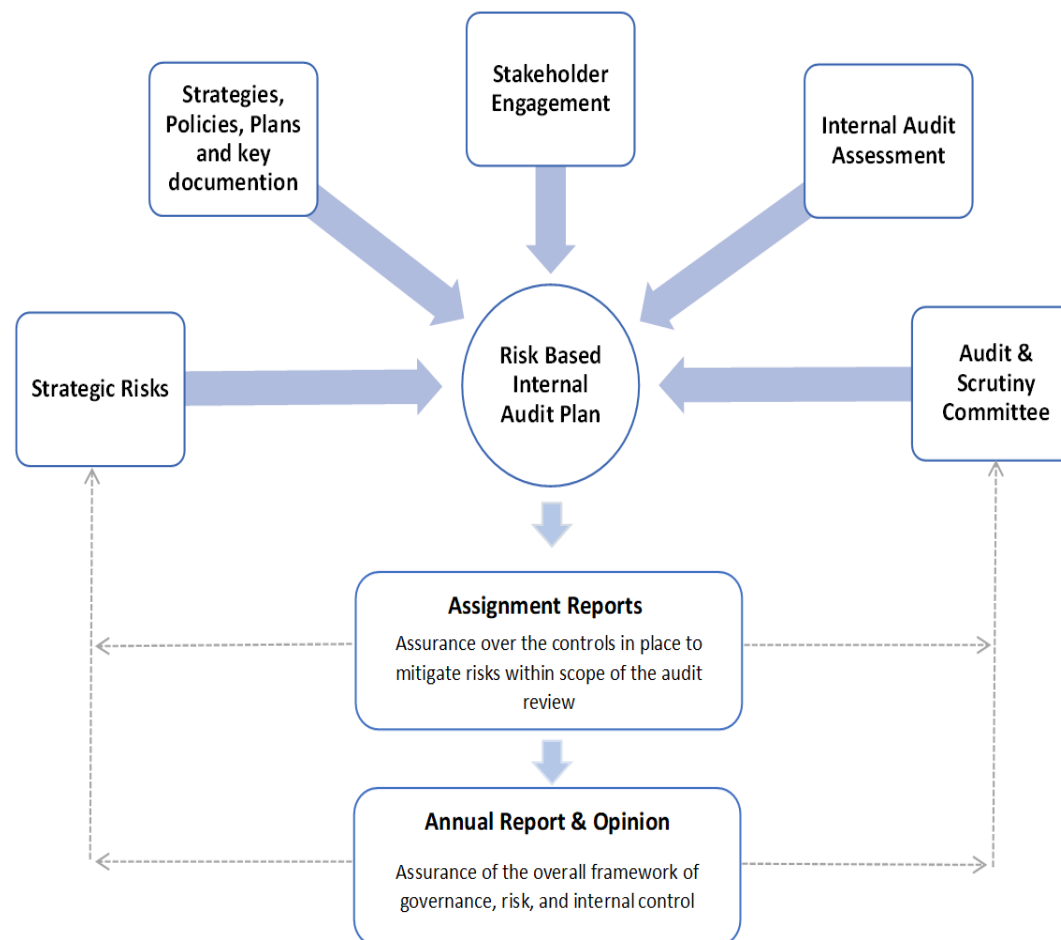
Audit planning is a perpetual process throughout the course of the year to ensure we are able to react to new and emerging risks and the changing needs of the organisation.

To ensure internal audit focus remains timely and relevant, the Southern Internal Audit Partnership has moved to a quarterly planning process. All auditable areas of review remain subject to ongoing assessment and discussion with management and Audit & Scrutiny Committee. Appendix A captures sector and organisational risks pertinent at the time of this report that will help inform future planning discussions.

Based on conversations with key stakeholders, review of risk registers, key corporate documents and our understanding of the organisation, the Southern Internal Audit Partnership have developed a plan of proposed internal audit coverage during quarter 3.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.

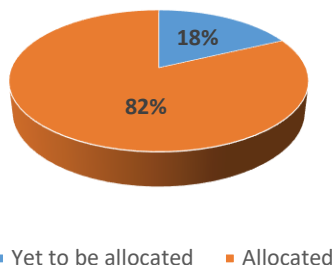


## Internal Audit Plan 2024-25 – Quarter 3

Audit	Sponsor	Scope/ Risk	Strategic / Committee Risk	Quarter
Information Governance (FOIs)	HofL&DS	To review the arrangements in place for the management of FOIs received.	SR11	Q1
Asset Management – Tenancy and Income Management	HofA&R	Assurance over the review and management of tenancies and rental income.	SR4	Q1
Housing Allocations	HofH	Assurance over the assessment, approving and prioritising of applications on the Housing Register.		Q1
Financial Strategy	DofR	To review the governance, preparation and approval of the Medium-Term Financial Strategy.	SR1	Q2
Housing Benefits		Assurance over the processing of Housing Benefits.		Q2
Cyber Security (Firewall Management)	DofR	Assurance over the secure and effective management of the network firewalls.	SR5	Q2
Procurement	DofR	Assurance over compliance with contract standing orders and legislative requirements including the preparedness for the new Procurement legislation.	H6	Q3
Tree Inspections	HofE	Assurance over the inspection regime and record keeping.	CS3	Q3
IT Application Management (CIVICA)	DofR	Assurance over the management of the application and infrastructure.	SR5	Q3
IT Follow Up	DofR	Follow up of the IT Governance and Database Management limited assurance opinion audits to ensure actions have been fully implemented and embedded.	SR5	Q3
Follow Up	Various	To follow up on the key observations raised for a number of “limited assurance” reviews to ensure actions have been fully implemented and embedded. Reviews will include: <ul style="list-style-type: none"> <li>• Payroll (2022/23)</li> <li>• Main Accounting (2022/23)</li> </ul>		Q3

Audit	Sponsor	Scope/ Risk	Strategic / Committee Risk	Quarter
Risk Management	HofP&C	Assurance over the risk management framework including governance, transparency and maturity.		Q3
Social Housing – New Consumer Standards	HofH	To review the arrangements in place to meet the additional consumer standards introduced in April 2024 under the Social Housing (Regulation) Act.		Q3
Management		To include audit planning, reporting, attendance at Executive Management Team and Audit & Scrutiny Committee, action tracking, liaison with key stakeholders and annual report and opinion (2023-24).	-	Q1-4

% of Commissioned Plan Days Allocated To Date



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		



## Horizon Scanning

All auditable areas of review remain subject to ongoing assessment and discussion with management and Audit & Scrutiny Committee. This appendix captures sector and organisational risks pertinent at the time of this report that will help inform future planning discussions.

### Corporate/Governance

- Health and Safety
- Climate Change
- Programme/Project Management
- Partnership Arrangements

### HR

- Organisational Capacity/Workforce Planning
- Use of Volunteers
- Use of Agency

### Financial

- Financial Sustainability
- Capital Programme
- Housing Rents

### IT

- IT Disaster Recovery
- Use of AI

### Other Services

- Local Plan
- Waste Strategy
- Housing Planned and Reactive Maintenance
- Housing Voids
- Building Control
- Planning Enforcement
- Grounds Maintenance
- Environmental Health
- Parking & Enforcement
- Asset Management – Statutory Checks