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**Southern Internal  
Audit Partnership**

Assurance through excellence  
and innovation

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**REIGATE AND BANSTEAD BOROUGH COUNCIL**

**Internal Audit Progress Report – 2022/23 (Q3)**

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**February 2023**

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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:

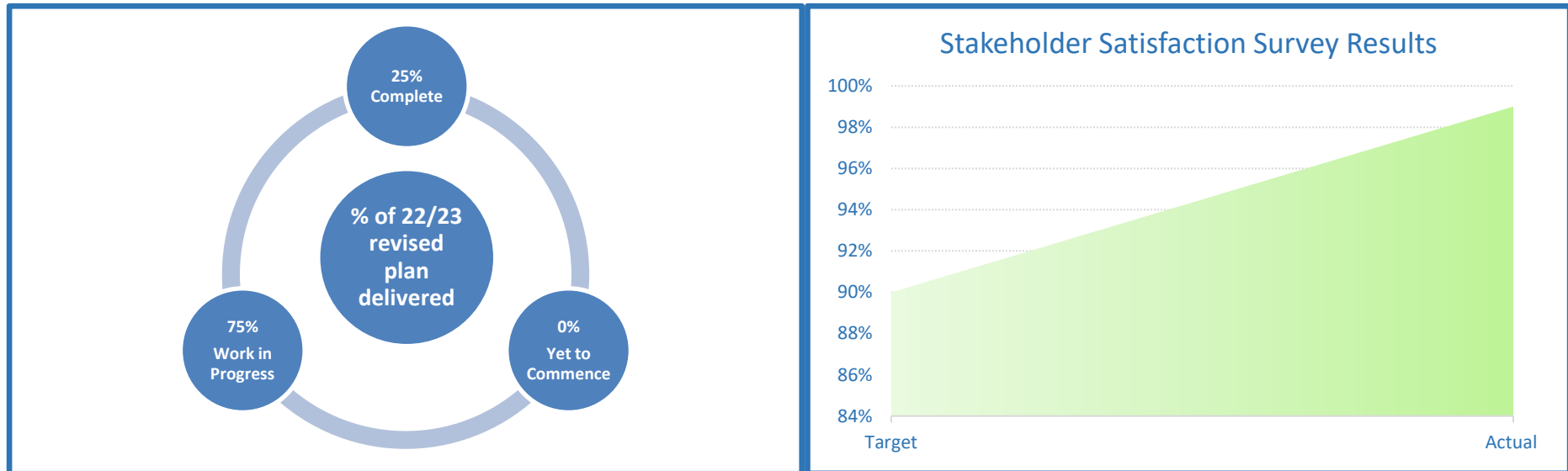
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

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:

<b>Substantial</b>	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.
<b>Reasonable</b>	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.
<b>Limited</b>	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.
<b>No</b>	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.

*\* Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to adoption of the CIPFA standard definitions, reference is provided at Annex 3*

### 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 Actions*	Not Yet Due	Complete	Overdue		
							L	M	H
Council Tax	05.02.20	HofRB&F	Adequate	6(2)	0(0)	5(2)		1	
Fleet Management	06.04.21	HofNO	Limited	16(3)	0(0)	15(3)		1	
Procurement	05.05.21	CFO	Limited	8(0)	0(0)	1(0)		7	
IT Disaster Recovery	27.05.21	HofIT	Limited	8(6)	0(0)	4(2)			4
Information Governance	06.12.21	HofIT	Reasonable	3(0)	0(0)	2(0)		1	
IT Virtualisation	16.02.22	HofIT	Reasonable	5(1)	0(0)	4(1)		1	
HR – Absence Management	17.05.22	HofOD	Substantial	2(0)	1(0)	1(0)			
Contract Management	18.08.22	SHofL&G	Limited	4(0)	3(0)	1(0)			
Business Continuity	08.09.22	HofNO	Reasonable	4(0)	4(0)	0(0)			
Decision Making & Accountability	12.10.22	SHofL&G	Reasonable	2(0)	1(0)	1(0)			
Parking and Enforcement	15.11.22	HofNO	Reasonable	5(0)	1(0)	4(0)			
Economic Prosperity	11.01.23	HofEP	Reasonable	10(0)	3(0)	7(0)			
<b>Total</b>				<b>73(12)</b>	<b>13(0)</b>	<b>45(8)</b>	<b>0</b>	<b>11</b>	<b>4</b>

\*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 final reports published concluding a “Limited” or “No” assurance opinion since the last progress report in November 2022.

## 6. Planning & Resourcing

The internal audit plan for 2022-23 was presented to Corporate Governance Group and the Audit Committee in March 2022.

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 2022/23

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
<b>2021/22 Reviews</b>								
Contract Management	SHofL&G	✓	✓	✓	✓	✓	<b>Limited</b>	
Parking & Enforcement	HofNO	✓	✓	✓	✓	✓	<b>Reasonable</b>	
<b>2022/23 Reviews</b>								
<b>Corporate</b>								
Savings Realisation	CFO	✓	✓					
Payment Card Industry Data Security Standard	CFO	✓	✓	✓				
<b>Governance</b>								
Decision Making & Accountability	SHofL&G	✓	✓	✓	✓	✓	<b>Reasonable</b>	
Human Resources & Organisational Development	HofOD	✓	✓					
Emergency Planning	SHofNS	✓						

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Health & Safety	HofNO	✓	✓	✓	✓			Draft report issued, management response pending.
Business Continuity	HofNO	✓	✓	✓	✓	✓	<b>Reasonable</b>	
<b>IT</b>								
Cyber Security - Managed Security Service Platform	HofIT	✓	✓					
IT Database Management	HofIT	✓	✓	✓	✓			Draft report issued, management response pending.
IT Follow Up	HofIT	✓	✓	✓				Close of audit held, report pending.
<b>Core Financial Reviews</b>								
Council Tax	HofRB&F	✓	✓	✓	✓			Draft report issued, management response pending.
Income Collection	CFO	✓	✓	✓	✓			Draft report issued, management response pending.
NNDR	HofRB&F	✓	✓	✓				
<b>People</b>								
Housing (including Affordable Housing)	HofH	✓	✓	✓				
<b>Place</b>								
Parks & Countryside	HofNO	✓						
Economic Prosperity	HofEP	✓	✓	✓	✓	✓	<b>Reasonable</b>	
Environmental Sustainability	HofCPP&P	✓	✓	✓				
Fleet Management – Follow Up	HofNO	✓	✓	✓				



Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
<b>Other (Non-Assurance Work)</b>								
Test And Trace Contain Outbreak Management Fund (COMF)	CFO	✓	n/a	✓	n/a	✓	<b>n/a</b>	Grant certification
Test and Trace Support Payment Scheme Funding (TTSP)	CFO	✓	n/a	✓	n/a	✓	<b>n/a</b>	Grant certification

<b>Audit Sponsors</b>			
HofCPP&P	Head of Corporate Policy, Projects & Performance	HofL&I	Head of Leisure and Intervention
HofOD	Head of Organisational Development & HR	HofCP	Head of Community Partnerships
HofIT	Head of IT	HofCCCD&I	Head of Communications, Customer Contact, Data & Insight
SHofL&G	Strategic Head of Legal and Governance	HofP	Head of Planning
CFO	Chief Finance Officer (\$151 Officer)	HofPD	Head of Place Delivery
HofH	Head of Housing	HofEP	Head of Economic Prosperity
HofRB&F	Head of Revenues, Benefits and Fraud	HofNO	Head of Neighbourhood Operations
SHofNS	Strategic Head of Neighbourhood Services		

## 8. Adjustments to the Internal Audit Plan

There have been the following adjustments to the plan:

Plan Variations for 2022/23	
Added to the plan	Reason
Test And Trace Contain Outbreak Management Fund (COMF)	The grant conditions required an internal audit review and sign off by the Chief Internal Auditor. Please see below for the adjustment made to the plan to accommodate this review.
Test and Trace Support Payment Scheme Funding (TTSP)	The grant conditions required an internal audit review and sign off by the Chief Internal Auditor. Please see below for the adjustment made to the plan to accommodate this review.
Emergency Planning	Included in the plan in place of Procurement. Assurance over planning for extreme events.
Removed from the plan	Reason
Corporate Plan	Deferred to accommodate the reviews of the COMF and TTSP grants.
Procurement and Commissioning	Deferred to 2023/24 to allow for the previous audit management actions to be addressed prior to re-review.

Overdue 'High Priority' Management Actions

IT Disaster Recovery – Limited Assurance			
<b>Observation:</b> Please see separate report.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Please see separate report.			

## Overdue 'Low &amp; Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Council Tax	05.02.2020	Adequate	Medium	01.04.2020	31.03.2023
Fleet Management	06.04.2021	Limited	Medium	31.12.2021	01.06.2023
Procurement	05.05.2021	Limited	Medium	31.12.2021	30.06.2023
			Medium	31.12.2021	30.06.2023
			Medium	31.12.2021	30.06.2023
			Medium	31.12.2021	30.06.2023
			Medium	31.12.2021	30.06.2023
			Medium	31.12.2021	30.06.2023
Information Governance	06.12.2021	Reasonable	Medium	30.09.2022	30.06.2023
IT Virtualisation	16.02.2022	Reasonable	Medium	31.08.2022	31.03.2023

**Reigate & Banstead Borough Council Assurance Opinions (Pre 2020-21)**

<b>Substantial</b>	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
<b>Adequate</b>	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
<b>Limited</b>	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
<b>No</b>	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.