



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

REIGATE AND BANSTEAD BOROUGH COUNCIL

Internal Audit Progress Report – 2023/24 (Q2)

Prepared by: Natalie Jerams, Deputy Head of Partnership

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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

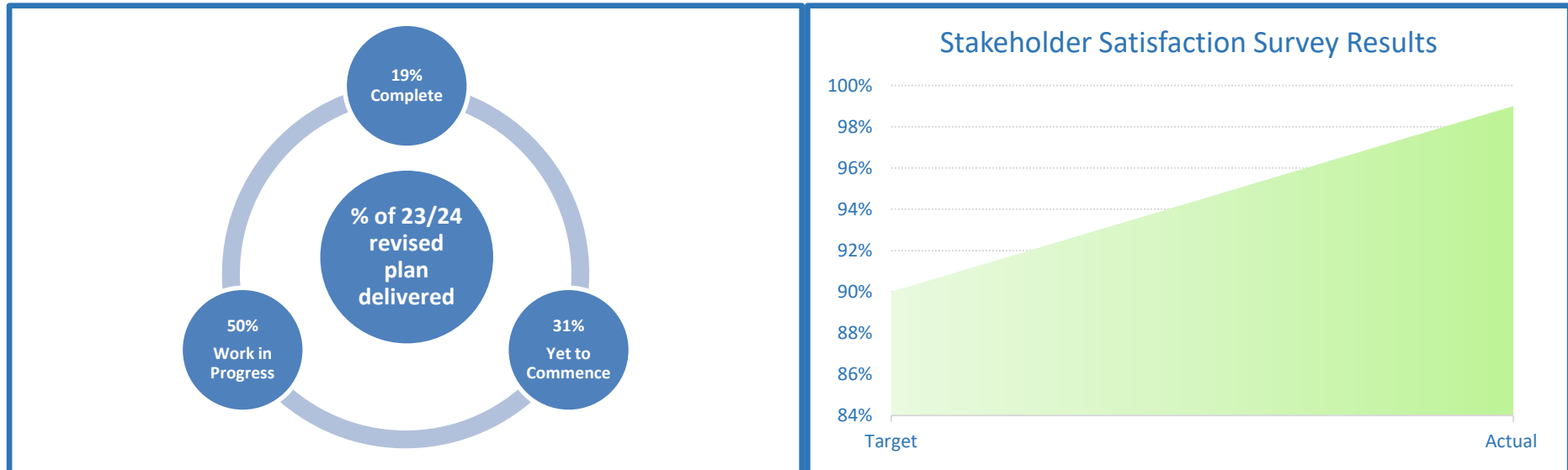
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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 Actions*	Not Yet Due	Complete	Overdue		
							L	M	H
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	
Contract Management	18.08.22	SHofL&G	Limited	4(0)	3(0)	1(0)			
Decision Making & Accountability	12.10.22	SHofL&G	Reasonable	2(0)	1(0)	1(0)			
IT Database Management	24.04.23	HofIT	Reasonable	5(0)	0(0)	4(0)	1		
Environmental Sustainability	26.05.23	HofCPP&P	Reasonable	4(0)	3(0)	1(0)			
Housing Delivery Strategy Implementation	13.06.23	HofH	Reasonable	2(0)	2(0)	0(0)			
Council Tax	10.07.23	HofRB&F	Reasonable	8(3)	1(1)	4(2)		3	
PCI Data Security Standard	31.07.23	CFO	Reasonable	4(2)	2(0)	2(2)			
Health & Safety Governance	04.08.23	HofNO	Limited	12(0)	8(0)	4(0)			
HR – Use of Volunteers	16.08.23	SHofO&T	No	19(6)	3(1)	11(2)		2	3
Income Collection	16.08.23	CFO	Limited	10(1)	0(0)	7(1)		3	
Housing Allocations	08.11.23	HofH	Reasonable	4(0)	0(0)	4(0)			
Total				109(21)	23(2)	61(12)	1	17	7

*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” or “No” assurance opinion since the last progress report in September 2023.

6. Planning & Resourcing

The internal audit plan for 2023-24 was presented to Corporate Governance Group and the Audit Committee in March 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 2023/24

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2022/23 Reviews								
NNDR	HofRB&F	✓	✓	✓	✓			Draft report issued, management response pending.
Playgrounds & Wheeled Sports Facilities	HofNO	✓	✓	✓	✓			Draft report issued, management response pending.
2023/24 Reviews								
Corporate								
Financial Governance Framework	CFO	✓	✓					
Governance								
Fraud Framework	HofRB&F	✓	✓	✓				
Human Resources	HofOD&HR							Q4

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Risk Management	HofCPP&P							Q4
Ethical Governance	SHofL&G	✓						
IT								
Cyber Security – Managed Security Service Platform	HofIT							Q4
Core Financial Reviews								
Main Accounting	CFO	✓	✓	✓				
Treasury Management	CFO							Q4
Payroll	CFO	✓						
Organisation								
Property Management & Maintenance	PSM	✓						
People								
Housing Allocations	HofH	✓	✓	✓	✓	✓	Reasonable	
Place								
Refuse, Recycling and Street Cleaning	HofNO	✓	✓	✓				
Environmental Health and Licencing	HofNO	✓	✓	✓				
Development Management & Planning Policy	HofP							Q4
Other								
Homes England Grant – Rough Sleeping Accommodation Programme (RSAP) - Capital	CFO	✓	✓	✓	n/a	✓	n/a	Grant certification
Homes England Grant – Rough Sleeping Accommodation Programme (RSAP) - Revenue	CFO	✓	✓	✓	n/a	✓	n/a	Grant certification

Audit Sponsors			
D	Director	SHofO&T	Strategic Head of Organisation and Transformation
CFO	Chief Finance Officer (S151 Officer)	SHofL&G	Strategic Head of Legal and Governance (Monitoring Officer)
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
HofH	Head of Housing	HofP	Head of Planning
HofRB&F	Head of Revenues, Benefits and Fraud	HofPD	Head of Place Delivery
HofNO	Head of Neighbourhood Operations	HofEP	Head of Economic Prosperity
PSM	Property Services Manager		

8. Adjustments to the Internal Audit Plan

There have been the following amendments to the plan to date:

Plan Variations for 2023/24	
Added to the plan	Reason
Homes England Grant – Rough Sleeping Accommodation Programme (RSAP) - Capital	The grant conditions required an independent review and report ahead of Chief Finance Officer sign off.
Homes England Grant – Rough Sleeping Accommodation Programme (RSAP) - Revenue	The grant conditions required an independent review and report ahead of Chief Finance Officer sign off.
Risk Management	Added to the plan to review the risk management framework.
Removed from the plan	Reason
Contract Management	Deferred to 2024/25 to allow for the previous audit management actions to be addressed and embedded prior to re-review. Please see separate report from Officers.
Procurement	Deferred to 2024/25 to allow for the previous audit management actions to be addressed and embedded prior to re-review. Please see separate report from Officers.
IT Disaster Recovery	Deferred to 2024/25 to allow for the previous audit management actions to be addressed and embedded prior to re-review. Please see separate report from Officers.

Overdue 'High Priority' Management Actions

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

Use of Volunteers – No Assurance			
<p>Observation: The Interim Human Resources Manager advised that, based on their limited knowledge of the organisation (as they had only been in post a few months at the time of testing), the only HR policy/procedure note in place on the selection/use of volunteers/work experience appointees is the Employee Volunteering Policy. This only relates to the Council allowing employees protected time to volunteer, it does not relate to the Council’s own use of volunteers.</p> <p>Confirmation of this from the Head of Organisational Development and Human Resources was sought. We were advised that the process for managing volunteers into the organisation is not currently a process that is managed centrally (e.g. via HR), so there are no central policies or procedure notes in place. It is something that individual teams manage, with guidance/advice provided by HR as required.</p> <p>None of the Community Centres were found to have local procedure notes or policies in place on the use or selection of volunteers.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update (Provided by the Strategic Head of Organisation and Transformation)
<p>RBBC to create central, consistent policies & HR procedures.</p> <p><u>Progress at time of reporting:</u> The Strategic Head of Organisation and Transformation has drafted the following, which have been shared with HR for initial comments before sharing with the rest of the Use of Volunteers Task & Finish Group that was established in June 2023:</p> <ul style="list-style-type: none"> • RBBC Volunteer Policy • RBBC Handbook for Managers of Volunteers • RBBC Volunteer Handbook & Code of Conduct. 	04.09.2023	30.11.2023	<p>In response to the audit RBBC have created a full suite of documentation which has been under review and improvement for the past two months. More recently a suite of documents has come to light that have been created historically for RBBC use by the previous Head of HR. These are being reviewed by the working group, as they have identified some additional content that would be of use to the authority (over and above the audit observations). As such the completion of this action has been pushed back. A working group is meeting to discuss the finalisation/combination of the two sets of documents and a revised and final deadline will be agreed. It should be noted that we now have two complete documents that exist and there are mitigations in place for all audit actions while this finalisation is agreed.</p>

Observation: The Council does not have policies/procedure notes in place covering what training volunteers should be undertaking and whether logs of this should be maintained.

The Community Centre Managers each advised that the volunteers at their Community Centre receive on-the-job training from other volunteers/members of staff when they start.

Horley and Woodhatch's Community Centre Managers advised that they do not currently keep a log of volunteers' training. Banstead's Community Centre Manager provided evidence of a food hygiene course in March 2023, including details of the volunteers who attended. No other log of training was available.

Management Action	Original Due Date	Revised Due Date	Latest Service Update (Provided by the Strategic Head of Organisation and Transformation)
<p>Management Team to agree and implement a consistent volunteer training needs assessment & subsequent record keeping process.</p> <p><u>Progress at time of reporting:</u> Training requirements covered in the draft documents shared with HR for comments before sharing with the rest of the Task & Finish group:</p> <ul style="list-style-type: none"> • RBBC Volunteer Policy • RBBC Handbook for Managers of Volunteers • RBBC Volunteer Handbook & Code of Conduct. <p>The next action is to see if volunteers can be given access to Learning Pool, the RBBC online training and organisational development tool.</p>	28.09.2023	30.11.2023	<p>Volunteer training needs assessment and record keeping is covered in both the full suite of documentation which has been under review and improvement for the past two months, and also in the historical documents that have recently come to light having been created historically for RBBC use by the previous Head of HR. These are being reviewed by the working group, as they have identified some additional content that would be of use to the authority (over and above the audit observations). As such the completion of this action has been pushed back. A working group is meeting to discuss the finalisation/combination of the two sets of documents and a revised and final deadline will be agreed. It should be noted that we now have two complete documents now exist and there are mitigations in place for all audit actions while this finalisation is agreed.</p>

<p>Observation: All three of the Community Centre Managers advised that they do not provide volunteers with a volunteer agreement specifically. Two of the Community Centre Managers however (Horley & Woodhatch), said that the volunteer's application form, which is signed, forms an agreement. A review of their application form templates found that the forms make no reference to this. The area for the volunteer's signature was found to be the application form's declaration, which covers areas such as the Council's use of personal information and offers being subject to satisfactory references. No mention of the application form being an agreement was found on either Horley or Woodhatch's application form template.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update (Provided by the Strategic Head of Organisation and Transformation)
<p>Management Team to create and launch a Code of Conduct for volunteers that forms part of a signed volunteer agreement.</p> <p><u>Progress at time of reporting:</u> The Volunteer Code of Conduct and volunteer agreement have both been drafted, and are with HR for review before sharing with the wider Use of Volunteers Task & Finish group for final comments and adoption.</p> <p>The agreement and code of conduct are also heavily referred to in both the RBBC Volunteer Policy and RBBC Handbook for Managers of Volunteers, which are currently in draft awaiting HR and Use of Volunteers Task & Finish Group review/amends/adoption.</p>	30.09.2023	30.11.2023	<p>Volunteer code of conduct is covered in both the full suite of documentation which has been under review and improvement for the past two months, and also in the historical documents that have recently come to light having been created historically for RBBC use by the previous Head of HR. These are being reviewed by the working group, as they have identified some additional content that would be of use to the authority (over and above the audit observations). As such the completion of this action has been pushed back. A working group is meeting to discuss the finalisation/combination of the two sets of documents and a revised and final deadline will be agreed. It should be noted that we now have two complete documents now exist and there are mitigations in place for all audit actions while this finalisation is agreed.</p>

Overdue 'Low & Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Fleet Management	06.04.2021	Limited	Medium	31.12.2021	30.11.2023
Procurement	05.05.2021	Limited	Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
			Medium	31.12.2021	31.12.2023
Information Governance	06.12.2021	Reasonable	Medium	30.09.2022	31.12.2023
IT Database Management	24.04.2023	Reasonable	Low	31.08.2023	31.03.2024
Council Tax	10.07.2023	Reasonable	Medium	30.09.2023	31.12.2023
			Medium	30.09.2023	31.12.2023
			Medium	30.09.2023	31.03.2024
Use of Volunteers	16.08.2023	No	Medium	30.09.2023	30.11.2023
			Medium	30.09.2023	30.11.2023
Income Collection	16.08.2023	Limited	Medium	30.09.2023	31.12.2023
			Medium	30.09.2023	15.12.2023
			Medium	30.09.2023	15.12.2023