
Southern Internal Audit Partnership

Assurance through excellence
and innovation

REIGATE AND BANSTEAD BOROUGH COUNCIL

Internal Audit Progress Report – 2023/24 (Q3)

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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

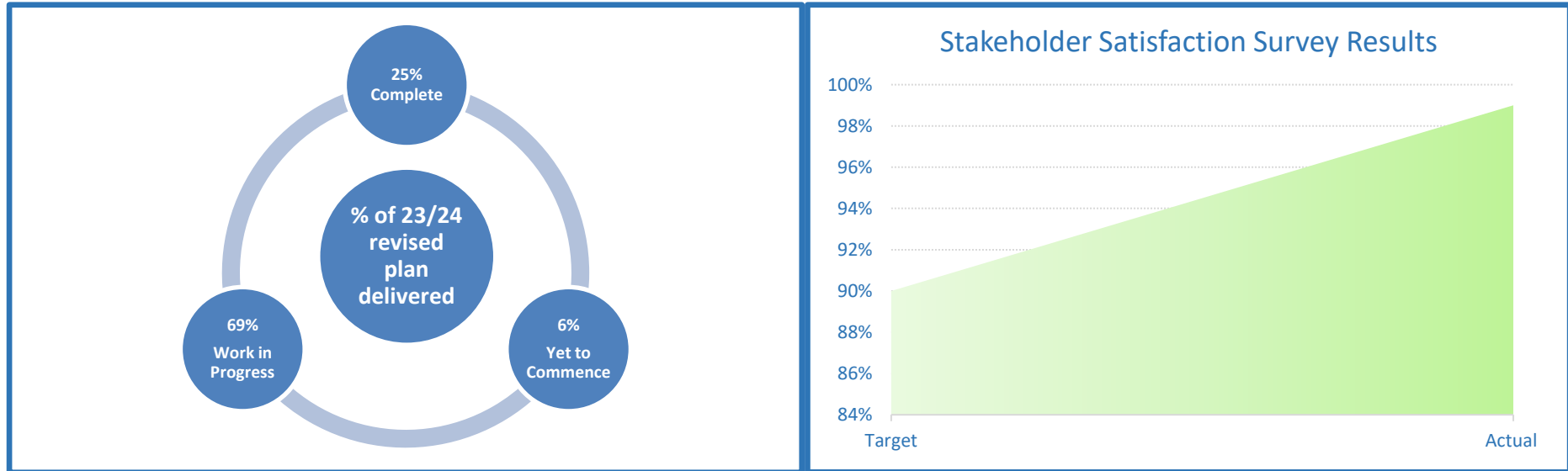
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

- 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
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 Database Management	24.04.23	HofIT	Reasonable	5(0)	0(0)	4(0)	1		
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)	5(0)	6(0)		1	
HR – Use of Volunteers	16.08.23	SHofO&T	No	19(6)	0(0)	18(5)			1
Housing Allocations	08.11.23	HofH	Reasonable	4(0)	2(0)	2(0)			
Main Accounting	05.02.24	CFO	Reasonable	1(0)	1(0)	0(0)			
Total				64(14)	10(0)	39(9)	1	9	5

*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 December 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	✓	✓	✓	✓	✓	Substantial	
Playgrounds & Wheeled Sports Facilities	HofNO	✓	✓	✓	✓			Draft final report issued, senior management sign off required.
2023/24 Reviews								
Corporate								
Financial Governance Framework	CFO	✓	✓	✓				Close of audit scheduled for 29/2/2024
Governance								
Fraud Framework	HofRB&F	✓	✓	✓	✓			
Human Resources	HofOD&HR							Q4 – scoping to be arranged.
Risk Management	HofCPP&P	✓						

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Ethical Governance	SHofL&G	✓	✓	✓				Close of audit held, report pending.
IT								
Cyber Security – Staff Training and Awareness	HofIT	✓	✓	✓				
Core Financial Reviews								
Main Accounting	CFO	✓	✓	✓	✓	✓	Reasonable	
Treasury Management	CFO	✓						
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 – Distribution of CIL	HofP	✓	✓					
Other								
Homes England Grant – Rough Sleeping Accommodation Programme (RSAP) - Capital	CFO	✓	✓	✓	n/a	✓	n/a	Grant certification

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
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.
Procurement	Deferred to 2024/25 to allow for the previous audit management actions to be addressed and embedded prior to re-review.
IT Disaster Recovery	Deferred to 2024/25 to allow for the previous audit management actions to be addressed and embedded prior to re-review.

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:</p> <p>The Council does not have a policy in place covering whether volunteers should be DBS checked.</p> <p>The Community Centres Team Leader advised that DBS checks are not performed on the volunteers working at the Council's Community Centres. We were advised that this is because they are never left alone with children and vulnerable people. All three Community Centre Managers also confirmed that DBS checks are not performed on Community Centre volunteers.</p> <p>The ratio of volunteers versus paid staff varies significantly between Community Centres, and it is not clear whether the ratios would adequately enable volunteers to be appropriately supervised at all times. However, the Head of Community Partnerships has advised that only a relatively small number of volunteers work at any one centre at any one time.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update (Provided by the Strategic Head of Organisation and Transformation)
RBBC to ensure there is a clear and consistent approach to DBS checks covering the following: <ul style="list-style-type: none"> • Criteria • Record-keeping • Review and update of all linked policies and procedures. • Audit. 	31.12.2023	31.03.2024	The management action is 90% complete. The remaining checks are being worked through between HR & Community Centre Managers with an action plan put in place.

Overdue 'Low & Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Procurement	05.05.2021	Limited	Medium	31.12.2021	31.12.2023 30.04.2024
			Medium	31.12.2021	31.12.2023 30.04.2024
			Medium	31.12.2021	31.12.2023 30.04.2024
			Medium	31.12.2021	31.12.2023 30.04.2024
			Medium	31.12.2021	31.12.2023 31.05.2024
			Medium	31.12.2021	31.12.2023 31.05.2024
			Medium	31.12.2021	31.12.2023 30.09.2024
Information Governance	06.12.2021	Reasonable	Medium	30.09.2022	31.12.2023 29.2.2024
IT Database Management	24.04.2023	Reasonable	Low	31.08.2023	31.03.2024 30.09.2024
Health and Safety Governance	04.08.2023	Limited	Medium	31.12.2023	31.03.2024