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# **Southern Internal Audit Partnership**

Assurance through excellence  
and innovation

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**SPELTHORNE BOROUGH COUNCIL**

**INTERNAL AUDIT PLAN**

**2024-25**

**Prepared by: Neil Pitman, Head of Southern Internal Audit Partnership**

**May 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 stakeholders 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 strategic lead will be Neil Pitman, Head of Southern Internal Audit Partnership, supported by Punita Talwar, 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.

## Spelthorne Borough Council – Corporate Plan 2024 – 2028

Spelthorne Borough Council agreed their Corporate Business Plan 2024 to 2028 in February 2024.

The Corporate Plan is the Council’s top level strategic document that together with supporting strategies sets their priority areas of work and how resources will be used to achieve them.

The Plan, ‘**Putting our residents at the heart of everything we do**’ sets out the Administration’s priorities over the next five years and defines the goals for the Borough based on the following priorities:



### Community

To place the needs of the Borough at the heart of everything we do; supporting residents to live healthy and fulfilling lives and empowering communities so they feel included, valued, supported, and safe.

### Addressing housing need

To support the delivery of high-quality housing and solutions to allow residents to live independently which meets the needs of all sections of the community at every stage of life, addressing the challenges around availability, affordability, and homelessness.

### Resilience

To ensure prudent management of our finances and resources and create a climate in which businesses and individuals can thrive. Work with our partners to maintain our preparedness for emergencies.

### Environment

To work with our residents, suppliers, and partners to minimise our impact on the environment and achieve our Council goal of ‘net zero’ carbon emissions by 2030. To maintain a clean and attractive Borough which supports biodiversity.

### Services

To deliver a wide range of high-quality community focused and accessible services for everyone who lives and works in Spelthorne, striving for continuous improvement in all aspects of our work and providing excellent customer care.

These priorities are underpinned by seven ‘values’ which collectively add up to a more sustainable Borough: environmentally, socially, and economically.



## 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.

Risk Category	Description	Residual Risk Score
1a - Housing – Development and Targets	Alternative Development delivery options	12
1a - Housing – Development and Targets	Timelines for delivery	12
1a - Housing – Development and Targets	Local Plan	12
1a - Housing – Development and Targets	Housing Development Programme	12
1b - Housing – Affordable	Housing Supply and Demand	12
1b - Housing – Affordable	Housing provision and addressing need	12
2 - Economy	Long Term uncertainty of macroeconomic environment	9
2 - Economy	Cost of doing Business crisis	9
3 - Financial Resilience and Commercial Assets	Commercial investment portfolio	9
4 - Financial Resilience and Supporting Communities	Financial Pressures - increased costs	9
4 - Financial Resilience and Supporting Communities	Restricted borrowing levels	9
4 - Financial Resilience and Supporting Communities	Financial Pressures - Cost of Living Crisis and increased demand on Council Services	12
5 - Treasury Management	Return on Investments	9
5 - Treasury Management	Borrowing	9
6 - Climate Change	Climate Change threat and impact	9
6 - Climate Change	Responding and adapting to Climate Change	12
6 - Climate Change	Integration into decision making	12
6 - Climate Change	Targets for Climate Change	9
7 - Corporate Capacity, Resources , Recruitment and Retention	Corporate capacity	12
7 - Corporate Capacity, Resources , Recruitment and Retention	Recruitment and retention	12
8 - Equality, Diversity and Inclusivity	Legislative requirements	9
8 - Equality, Diversity and Inclusivity	Coordinated approach	9
9 - Working arrangements across LG tiers	Change Management	9
9 - Working arrangements across LG tiers	Strategic decisions	9

\*extract from Corporate Risk Register (extract 19.03.2024)

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.

## Developing the Internal Audit Plan 2024/25

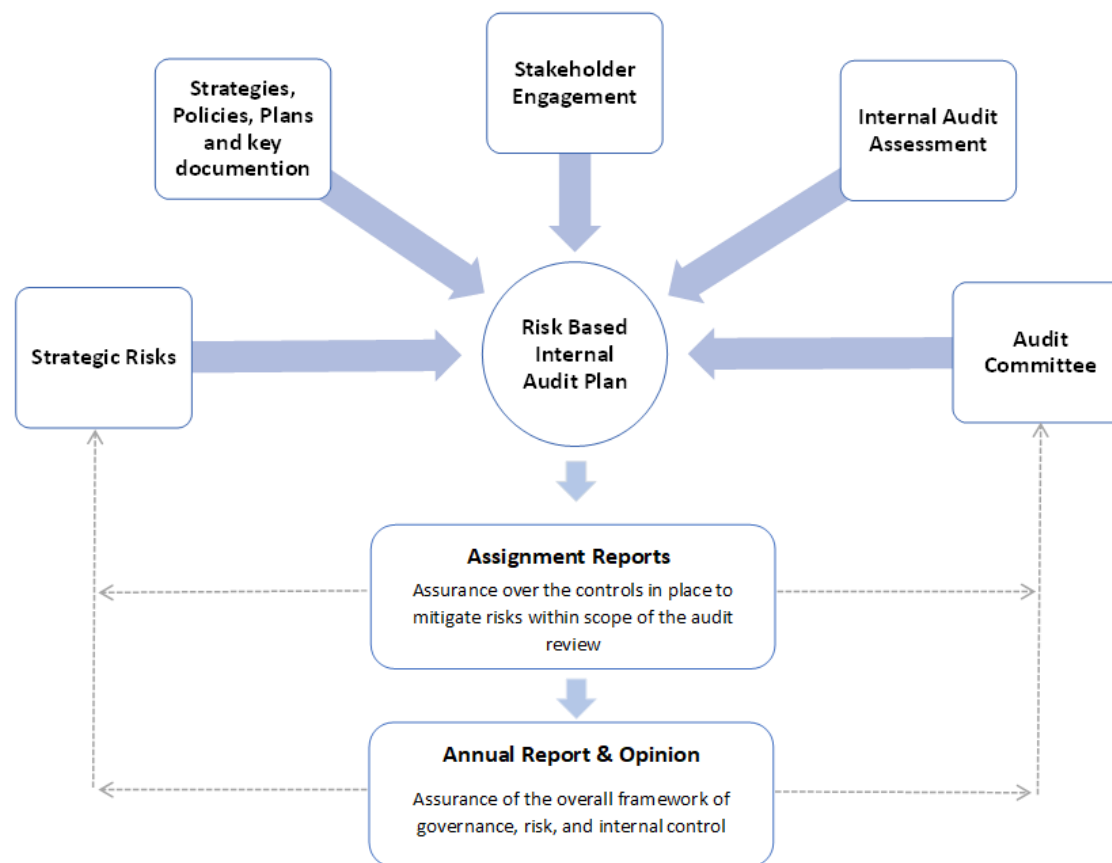
In accordance with the Public Sector Internal Audit Standards there is a requirement that internal audit establish a risk-based audit plan to determine the resourcing of the internal audit service, consistent with the organisation's goals.

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 an annual audit plan for the coming year.

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.

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

Audit Review	Audit Sponsor (Executive Director)	Indicative Scope	Corporate / Directorate Risks	Proposed Timing
<b>Governance</b>				
Risk Management	Deputy Chief Executive	Assurance on the framework and embeddedness of risk management		Q4
Corporate Plan	Chief Executive	To review the governance, monitoring, and delivery of the short-term actions for 2024-25.		Q3
Best Value – Post Inspection	Chief Executive	Contingency to support assurance / advisory work post the Best Value inspection.		Q4
Contract Management	Deputy Chief Executive & S151	To review the effectiveness of contract management arrangements in respect of commercial assets (Cushman & Wakefield).	✓	Q4
Procurement	Chief Executive	To provide assurance for the preparedness of the new Procurement Act and ongoing compliance with Contract Standing Orders.		Q3
<b>Core Financial</b>				
Council Tax	Deputy Chief Executive & S151	Cyclical review of core financial system		Q4
Accounts Receivable & Debt Management	Deputy Chief Executive & S151	Cyclical review of core financial system		Q4
<b>Community</b>				
Reinforced Autoclaved Aerated Concrete	Deputy Chief Executive & S151	Assurance over the inspection and reporting of RAAC within Council owned buildings		Q3
Health and Safety (frontline Services)	Deputy Chief Executive	Assurance over the maintenance and delivery of health and safety across front line service at the Depot (Refuse/Street Cleansing/Grounds Maintenance) and compliance with relevant legislation.		Q4

Audit Review	Audit Sponsor (Executive Director)	Indicative Scope	Corporate / Directorate Risks	Proposed Timing
Commercial Waste (SDS)	Deputy Chief Executive	Governance arrangements to support Spelthorne Direct Services in the management & delivery of commercial waste services.		Q3
<b>Addressing Housing Need</b>				
Affordable Housing / Homelessness	Deputy Chief Executive & S151	Cross cutting review across Housing and Environmental Health to review the escalating demands for affordable housing and implications for high-cost B&B etc.	✓	Q4
Building Control	Deputy Chief Executive	Provide assurance on the preparedness and implementation of the new Building Regulations. To consider the risks to future service provision / operating model.		Q2
<b>Resilience</b>				
CIPFA Financial Management Code Self-Assessment and Use of Resources	Deputy Chief Executive & S151	To provide an independent assessment of the Council's compliance against the Financial Management Code and assessment of the Use of Resource.	✓	Q2
Savings Realisation	Deputy Chief Executive & S151	Assurance on the governance and delivery of the 2024-25 savings proposals.	✓	Q4
<b>Environment</b>				
Tree Maintenance	Deputy Chief Executive	Assurance over the effective inspection and maintenance of Council owned trees across the Borough.		Q2
<b>Services</b>				
ITIL Assurance Mapping	Deputy Chief Executive	Undertake a full review of the IT environment against the Information Technology Infrastructure Library (ITIL) and map against existing assurance provision (1st, 2nd, and 3rd line) to determine most effective use of internal audit resource		Q2
Cyber – Staff Training & Awareness	Deputy Chief Executive	Assurance over controls in place to ensure staff are adequately trained to mitigate the risk of a successful cyber attack through staff actions.		Q4



Audit Review	Audit Sponsor (Executive Director)	Indicative Scope	Corporate / Directorate Risks	Proposed Timing
Equality, Diversity & Inclusivity	Deputy Chief Executive	Assurance the Council are compliant in their duties to equality, diversity and inclusivity.	✓	Q3
<b>Other</b>				
Management	-	SIAP ongoing maintenance of the plan, management action follow-up, liaison with external audit, attendance at Corporate Management Team and Audit Committee		Q1 – Q4
<b>Total Days</b>				<b>250</b>

Deputy Chief Executive & S151	Chief Executive	Deputy Chief Executive
Terry Collier	Daniel Mouawad	Lee O’Neil