

LEE VALLEY REGIONAL PARK AUTHORITY

AUDIT COMMITTEE

25 SEPTEMBER 2025 AT 12:30

Agenda Item No:

5

Report No:

AUD/165/25

INTERNAL AUDIT UPDATE

Presented by Senior Accountant

EXECUTIVE SUMMARY

The purpose of this report is to update Members on the internal audit programme and related activity including any instances of fraud, corruption or whistleblowing. Since the last update report the Cash and Banking audit has been completed with an audit opinion of Moderate Assurance. Of the 48 recommendations from previous audits, 19 have now been completed, with good progress made in the areas of Business Continuity, Cyber Security and Treasury Management.

RECOMMENDATION

Members Note: (1) the report.

BACKGROUND

- 1 In February 2018 (Paper AUD/85/18) the Audit Committee approved the award of a six-year contract to Forvis Mazars to deliver the Authority's internal audit requirements, procured through the London Borough of Croydon framework agreement.
- 2 Members approved a two year extension to the internal audit arrangement in May 2024 (Paper E/852/24) in line with the extended framework agreement.
- 3 The current contract ends in March 2026. London Borough of Croydon is intending to seek tenders to re-let the framework for a new term. Officers are keeping up to date with this process and plan to procure the next contract via this framework.

2025/26 INTERNAL AUDIT PLAN

- 4 The Audit Plan for 2025/26 was approved by the Audit Committee in June 2025 (Paper AUD/161/25). The table below summarises the audits and their current status.

5	Audit	Notes	Audit Dates	Days	Status
	Cash and Banking	Cyclical review of core financial controls Last audited in 2021/22	June 2025	10	Audit Complete Moderate Assurance

Payroll	An assurance review of LVRPA's management of staff expenditure through payroll and expenses. Last audited in 2020/21	Sept 2025	15	Audit in progress
Procurement	An assurance review over LVRPA's control framework for identifying requirements for contracts, tendering, and awarding these. To consider effectiveness, approvals, fraud risks, and commercial risks/rationale. The audit will also consider LVRPA's procurement framework in relation to the Procurement Act 2023.	Dec 2025	15	Scheduled
Data Management	This audit follows previous work in the 2023/24 and 2024/25 plans as part of a longer term cycle of assurance. This review will consider three further areas of the Authority's compliance with data protection law and the ICO's accountability framework: • Contracts and data sharing • Risks and DPIAs • Records management and security	Jan 2026	10	Scheduled
Stock Management	Cyclical review of core financial controls. Last audited in 2021/22	Jan 2026	10	Scheduled
Follow Up	Report produced for Feb Audit Committee	Dec 2025	8	Scheduled
Management	Attend meetings, Annual Report etc		10	
Contingency			10	
Total			88	

The findings from all of these audits will be included in the annual internal audit report and reported to Audit Committee in June 2026

6 Cash and Banking

The Cash and Banking audit has been completed with an audit opinion of Moderate Assurance. Four recommendations have been accepted, three of which are medium priority and one low priority. The low priority recommendation is an update to the central finance procedure, the other three recommendations relate to local procedures and practices which are being updated for consistency and to fully align with the central procedure, covering areas of cashing up, refunds and petty cash.

IMPLEMENTATION OF RECOMMENDATIONS FROM AUDITS

- The Authority's outstanding recommendation tracker continues to be updated with new recommendations as audits are completed, and is summarised in Appendix A to this report. This now contains 48 recommendations. A number of these are not due for completion until later in the year, but as at September 2025 officers consider 19 (40%) of these recommendations to have been implemented, leaving 29 outstanding. The tracker will be formally updated annually after Forvis Mazar's annual follow-up review.

- 8 Of the 48 recommendations, 5 are high priority. One of these has already been implemented. The outstanding recommendations relate to:
 - **Business Continuity Planning** – the policy and procedures have been reviewed and are scheduled to be presented to Members in October. This covers two separate recommendations.
 - **Cyber Security** – a failover testing schedule is to be established, and this will be aligned to the business continuity testing schedule. This failover testing will be carried out by the end of December.
 - **HR Onboarding** – to ensure that mandatory e-learning is completed by new starters there have been updates made to how managers and HR monitor and remedy non-compliance, escalation for sustained non-completion is to be agreed.
- 9 Some other key areas of progress against medium and low risk recommendations:
 - **Business Continuity:** In addition to the review of the policy and procedures, training and testing is being planned to commence once the policy has been approved in October.
 - **Cyber Security:** A Cyber Security strategy has been drafted. Additional Cyber Security training and awareness has been completed, and simulated phishing attacks are now being carried out to test employee responses, with targeted follow up training.
 - **Treasury Management:** The policy has been reviewed and is being presented to Members at September's Executive Committee.
 - **Risk Management:** A training session for Members will take place on 25 September.

FRAUD RESPONSE UPDATE

- 10 Under the Fraud Response plan, Audit Committee will be updated regularly on any instances of fraud, corruption or whistleblowing.
- 11 There have been no new instances of fraud, corruption or whistleblowing since the last Audit Committee.

ENVIRONMENTAL IMPLICATIONS

- 12 There are no environmental implications arising directly from the recommendations in this report.

EQUALITY IMPLICATIONS

- 13 There are no equality implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

- 14 There are no financial implications arising directly from the recommendations in this report.

HUMAN RESOURCE IMPLICATIONS

- 15 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 16 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

- 17 The internal audit programme provides assurance that the Authority has adequate controls in place to manage risks.

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PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/161/24	Annual Report on the Work of Internal Audit 2024/25 and Audit Plan 2025/26	19 June 2025
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APPENDIX ATTACHED

Appendix A Outstanding Recommendation Tracker

LIST OF ABBREVIATIONS

LSC	Leisure Services Contract
ICO	Information Commissioner's Office

Outstanding Recommendation Tracker

Year	Audit Name	Assurance	Low	Medium	High	Total	Implemented	Progress Update
22/23	Contract Management	Moderate	2	3		5	2	Contract Register reviewed, procurement procedures updated, contract management procedure to be updated
	Estates and Facilities	Limited		2		2	2	Condition Surveys completed; Repairs process implemented and documented
	LSC Contract Management	Moderate		1		1	1	Tracker 99% there, plan in place to close off recommendation
	Risk Management Framework	Moderate		1		1	0	Training for Members planned for September
23/24	Business Continuity Planning	Limited	2	3	2	7	0	BCP Group re-formed, policies & procedure reviewed, SMT/ HOS training completed, training and testing being planned
	Data Management	Substantial	2			2	2	KPIs agreed, compliance testing proposal agreed at Oversight group
24/25	Cyber Security	Limited	1	4	1	6	0	Strategy drafted, enhanced monitoring of training completion
	Data Management	Substantial	2			2	2	Procedures updated
	Debt Management	Moderate	2	2		4	0	Central procedures reviewed, local procedures reviewed, to be written up and training delivered
	HR Onboarding and Offboarding	Limited	4	5	2	11	9	Forms and Procedures have been updated and communicated to managers
	Treasury Management	Moderate		3		3	0	Updated policy scheduled for Authority in October, enhanced reporting planned
25/26	Cash and Banking	Moderate	1	3		4	1	Central and local procedures being reviewed
Total			16	27	5	48	19	

Based on the opinion of officers, 19 of these recommendations have been implemented, leaving 29 still to be implemented. The tracker will be formally updated annually after Forvis Mazar's annual follow-up review.