

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Internal Audit – Quarterly Audit Plan Update
Meeting date	16 October 2025
Status	Public Report
Executive summary	This report details progress made on delivery of the 2025/26 Audit Plan for the 2nd quarter (July to September 2025 inclusive). The report highlights that: • 18 audit assignments have been finalised, including 16 'Reasonable' and two 'Partial' audit opinions; • 25 audit assignments are in progress, including 3 at draft report stage; • Progress against the audit plan is on track and will be materially delivered to support the Chief Internal Auditor's annual audit opinion; • 10 'High' priority audit recommendations have not been fully implemented by the original target date and 3 'Medium' priority recommendations have (or will) not be implemented within 18 months of the original target date. Explanations from respective services have been provided and revised target dates have been agreed. The Revenues Compliance Team continue to identify and recover Single Person Discount errors and have so far achieved an additional council tax yield of £306,425 since December 2024 (both 2023/24 and 2024/25 NFI matches).
Recommendations	It is RECOMMENDED that Audit & Governance Committee: Note progress made and issues arising on the delivery of the 2025/26 Internal Audit Plan. Note the explanations provided for non-implemented recommendations (Appendix 1) and determine if further explanation and assurance from the Service / Corporate Director is required.
Reason for recommendations	To communicate progress on the delivery of the 2025/26 Internal Audit Plan. To ensure Audit & Governance Committee are fully informed of the significant issues arising from the work of Internal Audit during the quarter.

Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Not applicable
Classification	For Information

Background

1. This report details Internal Audit's progress against the 2025/26 Audit Plan for the period July to September 2025 inclusive ("Quarter 2") and reports the audit opinion of the assignments completed during this period.
2. The report also provides an update on significant issues arising and implementation of internal audit recommendations by management (as at 30 September 2025).

Delivery of Internal Audit Plan –Quarter 2 2025/26

3. 18 audit assignments have been **finalised** as outlined below:

	Service Area	Audit & Scope	Audit Opinion	Recommendations		
				High	Med	Low
	2024/25/26 Audit Plan					
1	Investment & Development	Housing Acquisitions Programme Review ➤ Programme Governance – including review of officer decision records ➤ Programme Budget – including calculation, forecasting, reporting & overspend ➤ Compliance with Financial Regulations – including approvals & breach reporting ➤ Programme Funding – including grants ➤ Fraud – including potential risk areas ➤ Lessons Learned	Partial	3	7	0
2	Housing & Public Protection	Housing Rents ➤ Former Tenant Arrears – including recovery & write offs ➤ Current Tenant Arrears – including recovery of arrears ➤ Performance Metrics ➤ Rent Accounts – including set up of accounts & audit trails ➤ Calculation of Rents ➤ Reconciliations	Reasonable	0	4	0
3	Environment	Coroner & Mortuary Service ➤ Review of Services and Costs as per Shared Coroner and Mortuary Service Agreement with Dorset Council – including key governance and financial management arrangements	Reasonable	0	6	2
4	Commercial Operations	Car Parking Income ➤ Strategic and operational planning arrangements – including contractual arrangements ➤ Fees and charges including parking permits and season tickets ➤ Income collection, storage, banking, reconciliation and refunds – including cash, card payments & parking apps/pay by phone ➤ PCN appeals, disputes, refunds and amendments, including debt recovery, write-offs and reporting	Reasonable	0	7	0

	Service Area	Audit & Scope	Audit Opinion	Recommendations		
				High	Med	Low
5	Education & Skills	Schools Financing ➤ Financial oversight of Maintained School Budget – including review of: • Projected budget forecasts (three years / year to date) out turn • Processes for managing budget deficits considering any sufficiency and strategic planning	Partial	3	1	0
6	Commercial Operations	Seafront Planning Compliance ➤ Compliance with Planning Requirements ➤ Ensuring planning requirements have been met for the Seafront / Commercial Operations temporary facilities, including review of: • the application / award and monitoring processes • sample of temporary facilities to ensure compliance against planning requirements • progress made against the actions identified	Reasonable	0	1	0
2025/26 Audit Plan						
7	Housing & Public Protection	Leaseholder Charges ➤ Governance – including policies & procedures, performance information & reporting ➤ Leaseholder & service charges – including charge calculation & leaseholder information maintenance & reconciliations ➤ Billing & collection – including charge billing, income monitoring & refunds ➤ Arrears - including monitoring & collection	Reasonable	0	7	1
8	Marketing, Comms & Policy	Social Media Management ➤ Governance and Policy Framework – including approval process for account creation and content publishing, and crisis communication protocols ➤ Account Inventory and Oversight – including management of accounts, dormant accounts & actions taken over unauthorised accounts ➤ Monitoring and Analytics – including reach and engagement with audience	Reasonable	0	4	3
9	IT & Programmes	BACS Bureau ➤ Governance – including procedures & reconciliations between BACS payments made and BACS files prepared ➤ Permissions – including user permissions & separation of duties ➤ Business Continuity	Reasonable	0	3	0

	Service Area	Audit & Scope	Audit Opinion	Recommendations		
				High	Med	Low
10	Customer & Property	Customer - Corporate Complaints ➤ Governance Arrangements – including policies, procedures, training, oversight and ensuring compliance with best practice guidance ➤ Performance Management – including ensuring compliance with documented complaints handling processes and timescales ➤ Corporate Complaints Centralisation Project - review of project management arrangements for the corporate complaints centralisation project ➤ Counter Fraud Arrangements	Reasonable	0	1	2
11	Children's Service	Children's Complaints ➤ Governance Arrangements – including policies, procedures, roles & responsibilities and oversight arrangements ➤ Complaints Performance – including review of sample of complaints to ensure they comply with process & timescales, and use enhance service quality ➤ Complaints classification – including ensuring correct classification between complaints and service requests	Reasonable	0	1	1
12	Finance, Estates and Benefits	Financial Assessments ➤ Social Services Financial Assessments – including compliance with legislation ➤ Deferred Payments – including application process, management of payments & recovery of funds	Reasonable	0	1	1
13	Planning & Transport	Concessionary Travel (Counter Fraud) ➤ Review of arrangements for the operation and management of concessionary fares to ensure the risk of fraud is minimised including: • Policies and procedures • Eligibility, application, renewal and changes of circumstances process • Usage monitoring to identify unused, misuse or fraudulent used passes • Vendor claims and contract – transport provider claims for reimbursement • Prevention & detection of fraudulent use & claims (incl. National Fraud Initiative)	Reasonable	0	2	1
14	Finance, Estates & Benefits	Housing Benefit and Council Tax Reduction Scheme (KFS) ➤ Review of any system or process changes and their impact on service delivery ➤ Ensure key controls operating over assessments, overpayments and reconciliations	Reasonable	0	0	0

	Service Area	Audit & Scope	Audit Opinion	Recommendations		
				High	Med	Low
15	Children's Services	St Joseph's Catholic VA Primary School ➤ Review arrangements to ensure effective internal controls are in place over: Governance, Budgeting, Purchasing, Income & Banking, Payroll, Asset Management, and Insurance	Reasonable	0	4	7
16	People & Culture	Business Planning & Performance Management (Service KAF) ➤ Review of business planning arrangements including the Service plan, objectives, roles and responsibilities and Service Level Agreements ➤ Review of performance management arrangements including relevant KPIs, performance reporting and monitoring of performance data	Reasonable	0	1	0
17	Housing & Public Protection	Food Safety Regulatory Compliance ➤ Governance and performance – including review of • Policies, roles & responsibilities for compliance with the Food Safety Act (FSA). • Performance and management oversight arrangements • Risk Management arrangements ➤ Food Safety and Inspection Procedure – including review of • Food inspection process (compliance with corporate policies and legislation, record keeping, inspection prioritisation process) ➤ Reporting to the FSA	Reasonable	0	4	1
18	Planning & Transportation	Bus Subsidy Arrangements ➤ Policies and Procedures/Governance – including ensuring changes made to bus subsidy arrangements are robust, fair and transparent ➤ Process – including policy/procedure, processes in place for changes to bus subsidy routes, changes to bus subsidy routes comply with relevant legislation ➤ Reporting arrangements – both public reporting (notifying residents of changes to routes and challenge) and Internal reporting	Reasonable	0	1	0
Total Recommendations				6	55	19

Key:

- **Substantial Assurance** - There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
- **Reasonable Assurance** - Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk.
- **Partial Assurance** - There are weaknesses in the control framework which are putting service objectives at risk.
- **Minimal Assurance** - The control framework is generally poor and as such service objectives are at significant risk.

- **KFS** – Key Financial System
- **KAF** – Key Assurance Function

Partial Assurance Audit Opinions

4. There were two 'Partial' assurance audit reports issued during the quarter as follows:

2024/25/26 Investment & Development – Housing Acquisitions Programme Review

– three high and seven medium priority recommendations were made to address the following issues:

High Priority	
Overall Programme Governance	Programme targets not clearly established and lack of dedicated programme board with associated monitoring arrangements.
Officer Decisions Records	Officer Decision Records (ODRs) were lacking key information.
Programme Budget Expected Outturn	Additional funding was not reflected and/or clarified in the overall programme budget.
Medium Priority	
Budget Calculation	No evidence to support original calculation of programme budget.
ODR Refurbishment Cost Details	ODRs did not include additional external contractor work costs.
Programme & Budget Reporting	Latest annual progress update report to Cabinet in December 2024 did not include a financial implications section.
Procurement Process	Unable to confirm that Procurement Decisions Records were in place for expenditure with several third party contractors.
Grant Claim Oversight	Lack of management oversight of grant claims for each property acquisition.
Funding Transparency	No clear approval for change of funding for three property acquisitions from Housing Revenue Account to General Fund.
Conflicts of Interest	No formal process for dealing with conflicts of interest relating to property acquisitions has been established or documented.

2024/25/26 Education & Skills – Schools Financing (Deficit Management) – three high and one medium priority recommendations were made to address the following issues:

High Priority	
Maintained School's Deficit Position 2024/25	There are no agreed deficit recovery plans in place for three schools who are in a reserve balance deficit as required by the DfE.
Special School Deficit	The special school banding review may increase funding from when it is implemented, however, a large deficit for one special school needs to be considered.
Roles & Responsibilities for managing deficit recovery	There are no defined internal processes for managing and responding to maintained school deficit positions and recovery.
Medium Priority	
BCP Financing for Maintained Schools	The BCP Financing for Maintained Schools scheme has not been updated since 2019.

5. There were no 'Minimal' assurance audit reports issued during the quarter.
6. There were no "Risks Accepted" formally accepted during the quarter.
7. The status of **audits in progress** at the end of the quarter are outlined below:

	Service Area	Audit	Progress
1	Adult Social Care	Deprivation of Liberty Safeguards	Draft
2	IT & Programmes	ICT (Core KAF)	Draft
3	IT & Programmes	Guest WIFI Networks	Draft
4	Adult Social Care	Direct Payments (Counter Fraud)	Fieldwork
5	Adults Commissioning	Out of Borough Placements	Fieldwork
6	Children's Social Care	Parenting Assessment Team	Fieldwork
7	Commercial Operations	Cash Income - Seafront Arcade	Fieldwork
8	Customer & Property	In House Team Operating Model	Fieldwork
9	Finance, Estates and Benefits	Financial Management (Core KAF)	Fieldwork
10	Finance, Estates and Benefits	Main Accounting (KFS)	Fieldwork
11	Finance, Estates and Benefits	Moveable Assets (Counter Fraud)	Fieldwork
12	Finance, Estates and Benefits	Contract Payments (Counter Fraud)	Fieldwork
13	Law & Governance	Officer Decision Records	Fieldwork
14	People & Culture	Business Continuity (Service KAF)	Fieldwork
15	People & Culture	HR / Payroll Data (Data Analytics)	Fieldwork
16	People & Culture	Payroll (KFS)	Fieldwork
17	Planning & Transport	Business Planning & Performance Management and Risk Management (Service KAF)	Fieldwork
18	Public Health & Communities	Public Health Grant	Fieldwork
19	Children's Social Care	Pathway Plans	Scoping
20	Customer & Property	Blue Badges (Counter Fraud)	Scoping
21	Environment	Passenger Transport Operations (KAF)	Scoping
22	Finance, Estates and Benefits	Council Tax (KFS)	Scoping
23	Finance, Estates and Benefits	Non-Domestic Rates (KFS)	Scoping
24	Housing & Public Protection	Procurement & Contract Management (Service KAF)	Scoping
25	IT & Programmes	Application Development	Scoping

8. The 2025/26 Audit Plan has been kept under review to ensure that any changes to risks, including emerging high risks, are considered along with available resource. The table below shows the changes which have been made to the Audit Plan during quarter 2.

9. Due to changes within the team (see paragraph 35 below), there are approximately 120 core audit days less available during 2025/26 than originally planned. These have been found from the audits identified in the table below and those previously reported to Committee.
10. Wherever possible, alternative sources of assurance have been identified for those areas removed from the plan, including from other assurance providers, such as Care Quality Commission and Housing Inspectorate, or alternative Internal Audit work, such as follow up of recommendations.

Table showing amendments to the 2025/26 Internal Audit Plan (during Quarter 2)

Service Area	Audit	Added / Removed (Days)	Internal Audit Risk Score	Rationale
Housing & Public Protection	Housing Quality New Social Housing Regulations Compliance	Removed (-15)	High	The Regulator of Social Housing have announced they are carrying out an inspection at BCP Council in October, the scope of which is anticipated to cover the same areas as the proposed audit. Internal Audit have provided information to the service in preparation for the inspection. Assurance for this area in 2025/26 will be provided by the Inspectors' report.
Housing & Public Protection	Port Health	Removed (-10)	Medium	This has been postponed to 2026/27 due to the gap in resource identified in paragraph 9 above. This was chosen as it was a 'medium' risk.
ASC Commissioning	ASC Commissioning Recommendation Follow Up	Removed (- 5)	High	The recommendations for this audit will be followed up as part of the standard follow up process. Although no issues are anticipated, if any concerns are identified as part of the normal process, then a targeted audit will be undertaken. Assurance for this area in 2025/26 will be provided via the standard follow up process and outstanding recommendations flagged in the Quarterly report process.
Commercial Operations	Major Events Governance	Removed (- 20)	High	This has been postponed to 2026/27 to allow for the Council's response to Martyn's Law to be included in the scope. A full audit of this area was carried out in late 2022/23 and the recommendations have recently been followed up. Assurance for this area in 2025/26 has been provided via the standard follow up process. The one outstanding medium recommendation is shown in Appendix 1.
Commercial Operations	Business Continuity (Service KAF)	Added (+ 20)	Medium	In conjunction with the Service Manager, this was added as a replacement audit for Major Events Governance to ensure sufficient audit coverage in Commercial Operations. The scope will include review of business continuity

				arrangements in the service, including compliance with corporate requirements.
Housing & Public Protection / Customer & Property	Asset Management (Facilities Management) – BCP Homes Health & Safety Compliance	Removed (- 20)	High	A detailed audit of this area was carried out in 2024, the results of which were reported to Audit & Governance Committee in October 2024 as this was a 'partial' assurance report. The recommendations in the report have been followed up as part of the standard follow up process and all recommendations, bar one medium, have been implemented. Assurance for this area in 2025/26 has been provided via the standard follow up process. As no areas of concern were identified during the follow up, further Internal Audit work was not considered necessary during the year. Note – an Asset Management (Facilities Management) Health & Safety Compliance review for BCP Leisure will be carried out during Quarter 4 – which is also delivered by the Facilities Management in Customer & Property.
Law & Governance	ICT (Service KAF)	Removed (- 15)	Medium	This was removed from the plan following discussions with the Service Director as the scope was to include the implementation of the legal case management system but this review is no longer required. This has been replaced by the risk management audit below.
Law & Governance	Risk Management (Service KAF)	Added (+ 10)	Medium	In conjunction with the Service Manager, this was added as a replacement audit for ICT to ensure sufficient audit coverage in Law & Governance. The scope will include review of risk management arrangements in the service, including compliance with corporate requirements.
Adult Social Care	To be agreed	Removed (anticipated to be in the region of 40 days)	Medium	The Care Quality Commission (CQC) will be undertaking an inspection of Adult Social Care during Quarter 3. The scope of this has yet to be confirmed, but it is likely that it will cover at least one, if not more, of the internal audits planned in Adult Social Care this year, which would result in duplication. In addition, officers and managers in the

				service will be servicing the external review resulting in reduced availability to support an internal audit. Internal Audit are working with senior management in Adult Social Care to identify appropriate audit/s to be removed from the plan and this will be reported to the next Audit & Governance Committee. Assurance for this area/these areas will be provided by the CQC report.
Total		Reduction of 95 days		

11. Quarter 3 planned audits are shown below. As the audit plan is risk-based, it may be that the plan is amended, for example, following emergence of higher risk areas.

2025/26 Audits Planned for Quarter 3 – Provisional

Unless otherwise stated, all audits are 'assurance'

	Service Area	Audit	IA Risk Score	Provisional Scope – to be agreed with Management
1	Law & Governance	Risk Management (Service KAF)	Medium	To review compliance with corporate Risk Management arrangements.
2	Education & Skills	Adult Learning	Medium	Examine the effectiveness of adult learning programmes, ensuring they meet the needs of the community, provide value for money, comply with statutory requirements and address any skill gaps.
3	Education & Skills	Capital Programme	High	Review the planning, governance, and delivery of the capital programme within the Children's Directorate, ensuring projects are on time, within budget, and aligned with strategic priorities.
4	Schools	The Priory CE VA Primary School	Medium	To ensure adequate financial Management at maintained schools.
5	Adult Social Care	Emergency Duty Service	Medium	To review the operation of the Emergency Duty Service.
6	Adult Social Care	Extra Care Housing	High	To review allocation & monitoring of extra care housing.
7	Schools	St. Edwards RC/CE VA School	Medium	To ensure adequate financial Management at maintained schools.
8	Marketing, Comms & Policy	Human Resources (Service KAF)	Medium	To review HR process within Marketing, Comms and Policy to ensure that corporate policies are being complied with.
9	IT & Programmes	Project & Programme Management (Core KAF)	Medium	Review of the corporate provision of Project Management support to the organisation, including risks of ineffective projects and lack of effective controls
10	Investment & Development	Business Continuity (Service KAF)	Medium	To review compliance with corporate requirements.
11	Housing & Public Protection	Right to Buy (Counter Fraud)	High	Review arrangements to prevent and detect fraud within the right to buy process.
12	Adults Commissioning	Safeguarding - BCP Safeguarding Partnership	High	Review of the effectiveness of the BCP Safeguarding Partnership.

13	Schools	Burton CE Primary School	Medium	To ensure adequate financial Management at maintained schools.
14	Adult Social Care	ASC Contact Centre	Medium	To review effectiveness of the ASC contact centre <i>Note – this may be removed from the plan depending on the scope of the CQC review.</i>
15	People & Culture	HR (Core KAF)	Medium	Annual Key Assurance review on provision of core HR services, such as key policies, training, sickness management.
16	Finance, Estates and Benefits	Debtors (KFS)	High	Review of key controls in the debt management system.
17	Finance, Estates and Benefits	Debt Data Analysis	As above	To be undertaken in conjunction with the Debtors audit.
18	Law & Governance	Local Land Charges	Medium	To review process for processing of land charges and income, including potential new system.
19	Schools	Highcliffe St Mark Primary School	Medium	To ensure adequate financial Management at maintained schools.
20	Customer & Property	Fire Safety - Corporate Buildings (Core KAF)	High	Review of new governance arrangements and statutory compliance, and issues raised in service Fire Safety KAFs.
22	Marketing, Comms & Policy	Business Planning & Performance (Core KAF)	Medium	To review corporate guidance and process for Service Planning and performance monitoring arrangements and guidance.

12. Based on the progress against the plan to date, as shown in the paragraphs above, the plan is on track to be materially delivered in time to support the Chief Internal Auditor's annual audit opinion.

Significant Issues Arising and Other Work

Single Person Discount

13. The Compliance Team have been undertaking the Council Tax Single Person Discount (SPD) reviews since December 2024.
14. The initial objective of the team was to complete the review of the 4,182 outstanding 2023/24 National Fraud Initiative (NFI) matches, passed back from Internal Audit, against current information/data.
15. As of 30 September 2025, the team have completed the review of all 4,182 matches. There are 344 reviews letters left to issue for 23/24. This has so far resulted in 307

SPDs being identified as errors, raising additional council tax yield to £198,323, which includes financial penalties being issued for on 172 SPDs totalling £12,040.

16. The team are also reviewing the 24/25 NFI matches, to further improve council tax yield. 568 reviews have been issued to date and we have identified a further £108,102 including £10,150 penalties.
17. In addition, the team are in the process of setting up a new team to carry out automated reviews for all discounts / exemptions outside of NFI data matching process.

BCP FuturePlaces Ltd

18. An investigation is currently being undertaken by the Chief Internal Auditor into BCP FuturePlaces Ltd. Part A of the investigation report, covering scope items 1- 4 was brought to this Committee on 24 September 2025, with Part B, scope items 5 - 8, to be brought to this Committee later in 2025.

Other work

19. During Quarter 2, testing and verification was undertaken to certify grant schemes of over £8.6 million as required by the grant funding conditions. The grants include:
 - Bus Subsidy
 - Local Transport Capital funding – including Integrated Transport & Highway Maintenance Block and Pothole
20. Ten Early Education Fund (EEF) audit final reports were issued during Q2. This brings the total completed in the year to date to 17 out of the 32 on the 2025/26 plan. No significant issues were identified.
21. Following the introduction of the Global Internal Audit Standards (GIAS) on 1 April 2025, work is continuing to ensure full compliance with the new Global Internal Audit Standards (GIAS).

Implementation of Internal Audit Recommendations

22. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by their first or subsequently agreed target date will be reported to the Audit & Governance Committee (where the revised target date has not previously reported). This is to ensure the Committee is fully appraised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
23. There were 10 high recommendations across 5 audits which met the criteria; they are shown in detail in Appendix 1.
24. All remaining High Priority recommendations followed up during the period were found to have been satisfactorily implemented by management.
25. The Audit Charter also requires any Medium Priority recommendations where the original target date has been exceeded (or will exceed) by over 18 months to be reported to Audit & Governance Committee.
26. As at the end of September, there were 3 recommendations across 3 audits which met this criteria.
27. Audit & Governance Committee are asked to review Appendix 1, along with the explanations and the revised timescales. Relevant Directors can be asked for further

explanations as required; explanations can be in written or verbal form, as the Committee deems appropriate for each individual circumstance.

Options Appraisal

28. An options appraisal is not applicable for this report.

Summary of financial implications

29. The BCP Council Internal Audit Team budgeted cost for 2025/26 is £818,500; this figure is inclusive of all direct costs, including supplies & services, but it does not include the apportionment of central support costs (which are budgeted in aggregate and apportioned to services as a separate exercise). The budget figure also includes the Head of Audit & Management Assurance who manages other teams.
30. At this stage of the financial year, based on assumptions for the remainder of the year, there is a small projected underspend forecast in the region of £5,000.

Summary of legal implications

31. This report gives a source of assurance on the adequacy and effectiveness of the risk, control, and governance systems in place.

Summary of human resources implications

32. The Internal Audit Team currently consists of 12.95 FTE inclusive of the Head of Audit & Management Assurance, which has reduced from 14.3 FTE following a minor restructure.
33. As previously reported, this is largely (1 FTE) due to the end of the contract period for the three apprentices, two of which have now been appointed on a permanent basis. This takes the team back to the position prior to the appointment of the apprentices, which was always intended to be a temporary measure to facilitate the recruitment of auditors in a challenging market. This change was reflected in the 2025/26 audit planning.
34. The remaining difference (0.35 FTE) is due to the appointment of the replacement Audit Manager on a part-time basis.
35. It is anticipated that there is a decrease of approximately 120 core audit days available on the 2025/26 audit plan (see paragraph 9), primarily due to the Audit Manager vacancy (approximately three months) and the new Audit Manager part-time contract.
36. In the annual report, the Chief Internal Auditor must provide an opinion on whether the resources are sufficient to provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances required. Due to the changes outlined above, the Chief Internal Auditor is keeping this under active review to ensure sufficient coverage this year. This will include consideration of assurances provided by external bodies, such as CQC, Housing Inspectorate and Ofsted, breadth and depth of internal audit coverage provided. If necessary, the CIA will seek to appoint temporary resource to ensure that the Council is provided with an audit opinion.
37. The specialist IT audit contractor has commenced delivery of the Application Development audit.

Summary of sustainability impact

38. There are no direct sustainability impact implications from this report.

Summary of public health implications

39. There are no direct public health implications from this report.

Summary of equality implications

40. There are no direct equality implications from this report.

Summary of risk assessment

41. The risk implications are set out in the content of this report.

Background papers

None

Appendices

Appendix 1 - High Priority recommendations - original target date for implementation was not met and Medium Priority recommendations outstanding for 18 months beyond the original target date

Appendix 1 - Table showing High Priority recommendations where the original target date for implementation was not met (where revised target date has not previously been reported to A&G or the previously reported revised date has passed) and Medium Priority recommendations outstanding for 18 months beyond the original target date

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
Developer Contributions – Management of Spend (2023/24/25) - Partial assurance				
The 4 high and 5 medium priority recommendations have yet to be implemented				
R1. In liaison with the MasterGov system project team, Management should: (a) Carry out a comprehensive review of all existing Planning Obligations systems and policies and develop a unified policy framework to ensure consistency and reduce errors. (b) Clearly define and document any specific requirements for the Planning Obligations module within the MasterGov system. Ensure that the system is integrated with the General Ledger and includes a robust tracking system to link specific developer contributions to their associated expenditures. (c) Develop a detailed formal plan for the collation, review, cleansing and transfer of data to the new system including timescales, responsibilities and allocation of suitable and sufficient resource. (d) In consultation with Finance, ensure that interface arrangements with the Council's financial systems are formally defined, agreed and incorporated into the MasterGov project plan. (e) Establish clear operational responsibilities and resourcing arrangements to take effect following implementation to include regular reviews and updates of data to ensure integrity and accuracy is maintained.	31/12/24; 30/6/25; 30/9/25	The new MasterGov system is now in place but there are still management capacity issues, including long term sickness and vacancy which restrict the ability to be able to address issues. The service is attempting to recruit a Planning Contributions Coordinator who will implement these recommendations, however, as yet, this post has not been filled. Whilst MasterGov went live in March, the teams are still working on post-implementation challenges and the issues regarding developer contributions will be dealt with when the new post has been recruited to.	31/3/26	Yes – Jan 25, July 25

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
R2. In liaison with Legal and Planning colleagues, Management should: (a) Conduct a thorough search for all missing s.106 documentation. (b) Establish a centralised, secure repository for documentation to ensure ease of access and protection from loss, giving explicit consideration to digitisation of new and existing s.106 agreements for ease of access and resilience. (c) Review existing Planning Obligation records to ensure all records are complete, accurate and up-to-date with a focus on filling gaps in critical information such as expiry dates.				
R3. In liaison with Accountancy, Management should: (a) Introduce robust arrangements to accurately track and link specific developer contributions to their associated expenditures. This should include detailed records that demonstrate compliance with each s.106 agreement. (b) Establish regular reporting mechanisms to monitor compliance with s.106 agreements and spending of contributions. (c) Carry out periodic sample compliance checks to ensure that developer contributions are accurately and comprehensively logged, allocated and spent appropriately within agreed timescales.				
R4. In liaison with relevant Service Directorates, Management should: (a) Improve resilience and minimise errors by developing formal procedure notes relating to processing of Planning Obligations and associated records management covering all legacy areas, systems and Service Directorates.				

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
This should include the agreement and implementation of clear communication channels and protocols for information sharing between Service Directorates, Planning and Accountancy. Standardised reports should be developed for provision of information to Service Directorates when funds are transferred to them and for Service Directorates to provide timely updates on how and when developer contributions have been spent. (b) Provide comprehensive training for all relevant staff to ensure that Planning Obligations procedures and processes are fully understood and implemented effectively.				
Children's Services – Health & Safety & Fire Safety (2024/25) – Partial assurance One of the four high priority recommendations has been implemented; the three outstanding recommendations are shown below:				
A complete and accurate record of all buildings and sites under the responsibility of Children's Services should be in place, regularly updated and agreed between with the Corporate Fire Safety Team, Children's Service and the Asset Management Team.	30/6/25, 31/8/25	A list of children's buildings has been obtained from Asset Management and access to the asset management system has been granted. The process of reconciling the buildings listed with the children's building register is currently underway. Upon completion of this reconciliation, assurance can then be provided that: • Fire safety checks have been conducted at all relevant buildings (see Recommendation below), and • Each building has an appointed Local Fire Safety Co-ordinator (see to Recommendation below).	31/12/25	Yes
All fire safety checks at Children's Services buildings must be completed according to their required schedule. Furthermore, ensure that there is adequate cover to undertake fire safety checks when a Fire Warden is unavailable.	31/5/25, 31/8/25	All fire safety checks have been completed on known sites, any sites from the asset register that do not accommodate staff are being reviewed now. Fire Wardens are being appointed across all sites, there is some reluctance to take on this responsibility, so we need more time to conclude this piece of work.	31/12/25	Yes
All Children's Services buildings should have an assigned LFSC. This should be communicated to the Corporate Fire Safety Team. In addition, LFSCs should be up to date with the relevant	30/9/25	As above (jointly working on ensuring there is an LFSC at every site) and will also ensure they are appropriately trained. October and November are the target training dates to complete this piece of work.	31/12/25	No

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
fire safety training and this should be appropriately recorded.				
ASC - Supplier Assurance (2024/25) – Partial assurance Three out of four of the high priority recommendations made have been implemented. The medium priority recommendation is due to be followed up shortly.				
A supplier assurance procedure to be established for ASC placements which covers: • Roles and responsibilities • What supplier assurance/due diligence checks are required prior to placement • Record keeping requirements. • Ongoing contract monitoring requirements.	30/6/25	The recommendation has been 'substantially' completed. ASC Commissioning have created a 'Roles and Responsibilities document' that has been finalised, and the Care Home Guidance is awaiting full SMT ratification.	30/11/25	No
Asset Management (Estate Management) 202/26 – Partial assurance The one high priority recommendation has yet to be implemented, as below. The six medium priority recommendations are not yet due to be followed up.				
A reconciliation between financial records, Civica TechForge and paper records must be carried out at least annually to ensure that all assets are identified and recorded. The Corporate Property Officer should formally document the inefficiencies currently associated with Asset Management in a report to Cabinet and any other appropriate boards and panels to ensure that there is widespread understanding within the organisation of these risks and inefficiencies.	31/7/25	The Finance and Property teams are working together to implement the recommendation. Work has commenced on the reconciliation. The majority of Asset numbers and income sheets have been aligned but require further work and a decision about what level we add the valuations to Civica will be. The aim is to start this loading process in January 2026 when we have a full team, in the meantime assets can continue to be aligned and the adoption of the Site and Building Codes must be adopted into any externally maintained spreadsheets away from Civica (TechForge). Only when Estates received a full valuation summary of all relevant assets showing the old asset codes against the latest TF Civica Codes can we then accomplish a full reconciliation. As noted in the report, the reconciliation to paper records is expected to take until 2030 based on current capacity.	Update to be provided to A&G for position as at 31/3/26 2030 for full implementation	No

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
		The cost of using Land Registry to align all assets is being explored.		
Children's - Commissioning delivery (2024/25) – Partial assurance One of the two high priority recommendations has been implemented, and the remaining high recommendation is shown below. Four of the six medium priority recommendations have also been implemented.				
A governance review of the gateway boards should be carried out, including: - Whether the gateway boards are the most effective way to achieve their intended purposes. - Decision logs and forward plans - Timeframes for how often terms of reference should be reviewed. - Mechanisms for ensuring terms of reference are being adhered to, including attendance. - Specifying quorum for meetings.	30/9/25	At the time of this audit Care Episode (CEG) / Independence and Transition (IATG) / Brokerage Gateway panel were in place or being established. Since restructure and new Heads of Service in CIC and Commissioning a review of the Gateways has taken place. CEG / IATG and Brokerage Gateways no longer exist and have been replaced with: - Creative Care Panel (live June 2025) - New Terms of reference, decision logs and forward plans are now in place. - Accommodation Planning Panel (reviewed June 2025) – Joint CSC / Housing Protocol is under review, once approved the Accommodation Planning Panel may be reviewed to ensure terms of reference are appropriate. This Panel is led by Housing and CSC; Commissioning do not attend as Housing have a legal duty to provide accommodation post 18yrs. We are awaiting confirmation that the terms of reference have been formally adopted.	30/11/25	No
Medium Priority Recommendations – outstanding 18 months beyond the original target date (not previously reported OR revised date exceeded)				
Commercial Operations - Major Events Governance (2022/23) – Reasonable assurance Four out of five of the medium priority recommendations have been implemented, with the remaining recommendation shown below. No high priority recommendations were made during the audit.				
Events Management System / Database: A formal options appraisal should be undertaken for the creation of a single	31/1/24	This action arising from this recommendation requires dedicated project support. This work has been initially	31/12/25	No

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
comprehensive events case management system and associated procedures, processes and workflows. The system should include (as a minimum): (a) All event-related information and associated documentation including application forms, checklists, risk assessments, associated certification and licencing, correspondence (both with the applicant and other internal and external stakeholders) and designated Events officer / single point of contact in case of organiser query or concern as appropriate (e.g. for major events) (b) Standing data tables containing standard fees and charges to be applied according to event type and scale criteria (c) Fees and charges applied to each event including payment status (d) Approvals obtained (both Events Team and other Service Directorates where appropriate) including named officers for ease of reference in case of query (e) Reporting functionality to facilitate management oversight and reconciliation of expected income to financial system data		scoped and is waiting on a new Project Management Officer to be assigned from the central project team which is being done on a priority basis. The Events team will also be looking at what can be done in the meantime without the central project team to move the work forward.		
ASC – Managing Other People’s Money (2022/23) – Partial assurance The three high priority recommendations and five of the six medium priority recommendations have been implemented. Progress on the remaining medium priority recommendation is shown below.				
The remaining legacy Barclays and HSBC accounts should be closed as soon as possible. Where accounts are currently unable to be closed, regular reconciliations must be undertaken.	31/3/24	Significant process has been made to address the recommendation. At the time of the audit, there were over 147 legacy bank accounts open, and as at September 2025, all but two had been closed. Appropriate action is underway against all these accounts to facilitate their closure.	30/12/25	No
Planning Contributions (2023/24) – Reasonable assurance Six of the eight medium priority recommendations made in the audit have yet to be implemented. One is reported below and the other five were reported to the July Audit &				

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
Governance Committee.				
Approval and implementation of revised Planning Scheme of Delegation should be expedited.	31/3/24	The service is attempting to recruit a Planning Contributions Coordinator who will implement this recommendation, however, as yet, this post has not been filled.	31/3/2026	No