



INTERNAL AUDIT – QUARTERLY PROGRESS REPORT

1 PURPOSE OF REPORT

- 1.1 To update the Audit & Governance Committee on progress made in delivering the Internal Audit Strategy for 2025/26.

2 LINKS TO COUNCIL'S PRIORITIES AND OBJECTIVES

- 2.1 Audit work contributes to the delivery of all the Council's Priorities and Objectives.

3 RECOMMENDATION

- 3.1 It is proposed that the Committee **RESOLVES**

That details of progress made in delivering the 2025/26 Internal Audit Strategy be received.

4 INTERNAL AUDIT PLAN STATUS

- 4.1 **Appendix 1** sets out the current status of the audit work planned for the year as at 5 September 2025.
- 4.2 There have been no further changes to the audit plan since the plan was approved by the Committee in March 2025.

5 PERFORMANCE TARGETS

- 5.1 As outlined in the Strategy presented to the Committee in March 2025, the team will be reporting on a more limited set of indicators this year given the amount of work that is still being contracted out.
- 5.2 As at 5 September 2025:
- a) For the period since 1 April 2025 the team has had an average of 0.6 days of sickness absence. This figure is an improvement on the average of 1.2 days sickness absence in the equivalent period last year
 - b) Of the 30 jobs in the plan, including those brought forward from the previous year:

- i. four have the work complete and are at draft report stage
- ii. four are work in progress
- iii. five have terms of reference being developed and agreed
- iv. five have planning underway
- v. twelve not yet due to be started.

5.3 Stakeholder surveys have been aligned with the new Global Internal Audit Standards (GIAS) and are now being issued to auditees at the completion of each audit. Results will be reported to the Committee once surveys have been completed and analysed.

6 RESOURCING

6.1 Since the last report to the Audit & Governance Committee in July there have been no further changes to the staffing of the team. The team currently has four vacancies, with the salaries of the vacant posts being used to fund audit resource brought in from suitable accountancy firms to assist with delivery of the audit plan.

7 RISK IMPLICATIONS

7.1 Failure to operate a robust assurance process (which incorporates the internal audit function) increases the risk that there are inadequacies in the internal control framework that may impact on the Council's ability to deliver its Corporate Aims, Targets and Objectives. A key mitigating factor is the work of the Good Governance Group (the "Group"). Assurance provided by this Group is summarised in the regular Monitoring Report on the Council's Governance Arrangements.

7.2 The main risks the team continues to manage are the:

- a) loss of in-house staff and the ability of the service to replace this resource at all or in a timely manner;
- b) lack of management capacity to support and process work in a timely manner and provide strategic leadership to the team;
- c) possibility that the external suppliers won't deliver contracted out work within the required deadlines or to the expected quality standards; and
- d) need to maintain relationships with clients / partners.

8 FINANCIAL IMPLICATIONS

8.1 The Audit Plan will be delivered within the approved budget.

8.2 Any financial implications arising from identifying and managing fraud risk will be considered through the normal financial management processes.

9 LEGAL IMPLICATIONS

9.1 The Accounts and Audit Regulations 2015 require that the Council undertakes 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 Global Internal Audit Standards require the Audit & Governance Committee to approve (but not direct) the annual Internal Audit Plan and then receive regular updates on its delivery. This report contributes to discharging this duty.

10 HUMAN RESOURCES IMPLICATIONS

10.1 Human Resource issues that are relevant to an audit within the Audit Plan will be considered as part of the review.

10.2 Regular updates will be provided to the Audit & Governance Committee on how the service is being resourced (as required by the Standards).

11 EQUALITY AND DIVERSITY IMPLICATIONS

11.1 The relevance of equality and diversity will be considered during the initial planning stage of each audit before the Terms of Reference are agreed.



Andrew Barnes

Head of Internal Audit

Background Papers:-

- The Accounts and Audit Regulations 2015
- IIA: Global Internal Audit Standards
- CIPFA: Application Note: Global Internal Audit Standards in the UK Public Sector

Appendices

Appendix 1: Internal Audit Plan 2025/26

For further information please contact Andrew Barnes (Head of Internal Audit) on:-

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Appendix 1: Internal Audit Plan 2025/26

Dept.	Service Activity	Fraud risk	Status of the Audit
Managing the Business			
All Aims			
All	<p>Workforce Development</p> <p>To assess the effectiveness of arrangements to ensure the Council has an effective workforce with the right skills and level of knowledge, being appropriately managed to deliver the Council's statutory services and corporate objectives.</p>	Medium	Scoping being undertaken
All	<p>Risk Management</p> <p>To assess the robustness of corporate and operational arrangements to ensure risk is consistently identified and appropriately managed, with suitable escalation and oversight as required.</p>	Low	Scoping meeting held Terms of reference being produced
All	<p>Corporate Health and Safety</p> <p>To assess the suitability of arrangements to ensure health and safety of the corporate estate and staff working within it are effectively and proactively managed.</p>	Medium	Planned for Q4
All	<p>ICT Strategy (brought forward)</p> <p>To assess the suitability of the Council's ICT strategy and the effectiveness of its application to support and enable achievement of the Council's strategic goals.</p>	Low	Phase one completed February 2025 Phase two planning in progress
C&C	<p>Complaints (brought forward)</p> <p>To assess the robustness of arrangements to ensure complaints are dealt with effectively, within relevant timeframes and in line with the required policies, procedures and / or codes.</p>	Low	Work in progress
<i>Implementing Action Plans</i>			
C&C	<p>Procurement</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	High	Specialist contractor resourced to undertake review

Appendix 1: Internal Audit Plan 2025/26

Dept.	Service Activity	Fraud risk	Status of the Audit
C&C	<p>Contract Management</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	High	Specialist contractor resourced to undertake review
C&C	<p>ICT Utilisation and Skills</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	Low	Planned for Q4
All	<p>Performance Management</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	Low	Planned for Q3
All	<p>Data Governance</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	Low	Planned for Q3
C&C	<p>Cyber Security Incident Management (brought forward)</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	High	Report being discussed with management
Managing Service Delivery Risks			
Aim: People			
P&C	<p>Community Safety Partnership</p> <p>To assess the suitability of arrangements to ensure the Council works effectively with partners to develop and implement strategies that protect communities from crime and help people feel safe.</p>	Low	Contractor resource scheduled for October

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Dept.	Service Activity	Fraud risk	Status of the Audit
<i>Implementing Action Plans</i>			
C&C	<p>Licensing</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	Medium	Planned for Q4
Aim: Place			
P&C	<p>Damp, Mould and Condensation</p> <p>To assess whether the Council's arrangements for identifying and addressing Damp, Mould and Condensation within its property stock are robust and aligned with best practice, minimising the risk to residents.</p>	Medium	Contractor resource scheduled for January
P&C	<p>Sheltered Housing</p> <p>To assess the effectiveness of arrangements to ensure the Sheltered Housing service is providing residents with an appropriate, safe and supportive environment, that meets their needs.</p>	Low	Draft report with the Head of Internal Audit
P&C	<p>S106 & CIL Agreements (brought forward)</p> <p>To assess the robustness of arrangements to ensure income from CIL and S106 contributions is maximised, and funds are utilised to the benefit of the borough.</p>	Medium	Work in progress
<i>Implementing Action Plans</i>			
P&C	<p>Rent Collection & Arrears Management</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	Medium	Contractor resource scheduled for November
P&C	<p>Fire Safety</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	Medium	Terms of reference with the service

Appendix 1: Internal Audit Plan 2025/26

Dept.	Service Activity	Fraud risk	Status of the Audit
P&C	<p>Housing Health and Safety Compliance</p> <p>To check that actions agreed have been effectively implemented and have been embedded into the day-to-day operation of the service.</p>	Medium	Terms of reference with the service
Aim: Environment			
C&A	<p>Estate and Asset Management</p> <p>To assess the suitability of arrangements to manage the Councils assets and enable them to support delivery of the Council's duties, vision, priorities, objectives and plans for the borough.</p>	Medium	Contractor resource scheduled for September
Aim: Economy and Growth			
P&C	<p>Development Management</p> <p>To assess the robustness of arrangements for assessing and deciding planning applications and enforcement activity, at both Officer and Committee level, as appropriate.</p>	Medium	Work in progress
P&C	<p>Environmental Health</p> <p>To assess the effectiveness of arrangements to ensure concerns & referrals received are properly and effectively dealt with and statutory responsibilities discharged to protect and improve the wellbeing of the residents.</p>	Medium	Draft report with the Head of Internal Audit
Key Financial Systems: All Aims			
C&C	<p>Council Tax</p> <p>To assess the effectiveness of arrangements to ensure billing is accurate and income to the Council is maximised, while ensuring financial errors are prevented and / or detected in a timely manner so information can be relied upon when producing the Council's statement of accounts.</p>	Medium	Contractor resource scheduled for February

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Dept.	Service Activity	Fraud risk	Status of the Audit
C&C	<p>Business Rates</p> <p>To assess the effectiveness of arrangements to ensure billing is accurate and income to the Council is maximised, while ensuring financial errors are prevented and / or detected in a timely manner so information can be relied upon when producing the Council's statement of accounts.</p>	Medium	Contractor resource scheduled for February
Advice and Support			
All	<p>Transformation</p> <p>To provide advice, support and challenge over the Council's continued improvement journey in the context of Local Government reorganisation and devolution.</p>	Low	Advice and support available as and when required
P&C	<p>Housing Service Improvement, Business as Usual</p> <p>To provide advice, support and challenge over arrangements being developed to support the organisation to achieve and maintain the necessary service improvement.</p>	Low	Specialist contractor resourced to undertake review
C&A	<p>Waste Service Delivery</p> <p>To provide advice, support and challenge over key project processes and governance arrangements as they are developed to help support the service achieve its objectives.</p>	Low	Specialist contractor in discussion with service
C&A	<p>Events Service Level Agreement (brought forward)</p> <p>To provide advice and support on the arrangements to ensure the Council receives all monies due from the new Event's SLA.</p>	Low	Work in progress

Appendix 1: Internal Audit Plan 2025/26

Dept.	Service Activity	Fraud risk	Status of the Audit
C&C	<p>CRM Project (brought forward)</p> <p>To provide advice, support and challenge over project processes and key documents as they are established to ensure the new CRM system is fully operational within the intended timeframes and budget, as well as achieving the expected benefits.</p>	Low	<p>Feedback complete on initial business case</p> <p>Further work planned for next phase of project delivery</p>
P&C	<p>Housing Improvement Programme Assurance (brought forward)</p> <p>To provide advice, support and challenge over key project processes and governance arrangements as they are developed to help support the organisation achieve the necessary service improvement objectives.</p>	Low	<p>Draft memo being discussed with the business</p>

Managing Delivery of the Audit Plan			
	Audit Planning and Resourcing	10	
	Managing Audit Plan Delivery	5	
	Reporting to Executive Management Team and Audit Committee	5	

Key: Fraud Risk

- **High** risk: increased likelihood of fraudulent activity occurring, with potentially severe consequences. High fraud risk scenarios often involve significant potential financial loss, reputational damage, or legal implications. These risks require robust mitigation controls to prevent and minimise impact
- **Medium** risk: moderate probability of fraud occurring, with a noticeable but not catastrophic impact. Medium fraud risks may result in financial losses or operational disruptions that are manageable but still require attention and preventative controls
- **Low** risk: low probability of fraud, with minimal potential impact. Low fraud risks are less likely to cause significant harm and may involve minor financial losses or operational issues. These risks require standard monitoring and basic preventative controls

Appendix 1: Internal Audit Plan 2025/26

Audit Activities	Resource allocation
Managing the Business	17%
Managing Service Delivery Risks	34%
Key Financial Systems	9%
Grant Claims	0%
Advice and Support	13%
Managing Delivery of the Audit Plan	6%
Implementing Action Plans	21%
Total	100%
Total Council Audit Plan Days	320

The days required to revisit and retest action plans from previous reports are included under each heading.

Analysis Over Departments		
C&C	Corporate and Customer	53
P&C	Place and Communities	139
P&P	Commercial and Assets	36
All	Cross cutting	72
All	Managing Delivery of the Audit Plan	20
	Total	320

Appendix 1: Internal Audit Plan 2025/26

Risk Watch List	
C&C	ICT Data Security and Management
C&C	ICT Contract
C&C	Housing Benefits
C&A	The Paddocks
P&C	Food Premises Inspections
P&C	Private Sector Housing
C&A	Grounds Maintenance and Street Scene
P&C	Housing Strategy
P&C	Housing Allocations
C&C	Sustainability of the Housing Revenue Account
P&C	Management of Void Properties
P&C	Responsive Repairs
C&A	Regeneration
P&C	Building Control
C&C	Financial Management and Budgetary Control
C&C	Business Planning, Service Planning and linkage to delivery of Corporate Plan
C&C	Payroll
C&C	Project Management
P&C	Partnerships
All	Local Government Reorganisation
All	Business Continuity
P&C	Climate Change

These are other potential audits that may be considered for inclusion in the Audit Plan during the year should resources permit or the risk profile change.