Dear Councillor

CORPORATE GOVERNANCE COMMITTEE - WEDNESDAY, 18 NOVEMBER 2026

I am now able to enclose for consideration at the above meeting the following reports that were unavailable when the agenda was printed.

Agenda Item No.

9. INTERNAL AUDIT PROGRESS REPORT(Pages 3 - 24)

To receive a report providing an update of the work of the Internal Audit Service since the last meeting and progress against the Internal Audit Plan 2026/27 that was approved by the Committee on 18th March 2026.

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Agenda Item 9

Corporate Governance Committee – 18 November 2026

Report by: Dan Harris (RSM) – Internal Audit Manager
Lydia Morrison – Corporate Director – Finance and Resources (On behalf of Corporate Leadership Team

Lead Cllr: Cllr Liam Dewey-Beckett
Executive Councillor for Governance and Democratic Services

Wards	Open / Exempt	Key Decision?
All	Open	No

Internal Audit Progress Report

Executive Summary: This report sets out a summary of the work undertaken by the Internal Audit Service since the Committee last met in September 2026.

Recommendations

1.1. To comment on and note the update on work undertaken by Internal Audit to date.

Report Author(s)

Lydia Morrison – Corporate Director – Finance & Resources
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1. PURPOSE OF THE REPORT

1.1 The purpose of this report is to provide an update of the work of the Internal Audit Service since the last meeting and progress against the Internal Audit Plan 2026/27 that was approved by the Committee on 18th March 2026.

2. BACKGROUND & CONTEXT

2.1 The activities of the Internal Audit Team are pivotal to the organisation's governance and control processes. The findings of audit reviews demonstrate compliance with controls and processes or identify where improvements need to be made. This is an inherent element of Priority 3 of the Corporate Plan (2023-2028) which is about 'doing our core work well' through 'delivering good quality, high value-for-money services with good control and compliance with statutory obligations'.

2.2 RSM will, in the capacity of the Internal Audit Service, be present at the meeting to present the report.

3. IMPLICATIONS OF THE DECISION

3.1 Legal & Constitutional Implications

3.1.1 None.

3.2 Implications on Resources

3.2.1 No additional resource requirements arise from this report.

LIST OF APPENDICES INCLUDED

Appendix 1 – Internal Audit Progress Report from RSM LLP

PRIVATE AND CONFIDENTIAL

Huntingdonshire District Council

Internal audit progress report

Corporate Governance Committee – 18 November 2026



This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, we will accept no responsibility or liability in respect of this report to any other party.

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Key messages

The internal audit plan for 2026/27 was approved by the Corporate Governance Committee at the March 2026 meeting. This report provides an update on progress against the plan and summarises the results of our work to date.

We have completed four assignments and issued three final reports from the 2026/27 internal audit plan since the last CGC meeting in September 2026:

- Business Continuity Planning – **Partial Assurance**
- Debt Management – **Partial Assurance**
- Capital Programme Follow Up – **Reasonable Progress**
- Disabled Facilitiies Grant (DFG) Verification – **Completed (Sign off of claim provided)**

Details of the progress made against the internal audit plan are included at Appendix A.

We have also issued two further reports in draft and fieldwork is in progress for four reviews (one of these has been paused). **[To note]**

Client briefings

Since the last CGC meeting, we have issued the following briefings:

- **Client Briefing November 2026 – RSM's External Quality Assessment**
- **When AI goes wrong rogue – September 2026**

Further details can be found below.



Reports issued since the previous Corporate Governance Committee meeting

Review Name	Assurance Opinion / Advisory	Management actions			
		Advisory	Low	Medium	High
Business Continuity Planning	Partial	0	2	9	0
Debt Management	Partial	0	6	7	0
Capital Programme – Follow Up	Reasonable	0	1	1	0
Disabled Faciliites Grant – (Sign off provided, no formal report)	Complete	0	0	0	0
TOTAL		**0**	**9**	**17**	**0**



Summary of reports

Summary of report: Business Continuity Planning

PRIORITY FINDINGS:	High	0	Medium	9	Low	2	Advisory	0

Objective of the review	Assignment approach	Strategic objective or Strategic risks relevant to the scope of the review	Risk source
A review of plans, policies and procedures to respond to a major incident or critical event that could impact Council operations.	Risk Based	Resilience	Corporate risk register

Internal audit opinion



Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).

Conclusion

Overall, the review identified 11 findings, resulting in nine medium and two low priority management actions. While the Council has developed a more structured Business Continuity Framework since the previous review, some supporting processes are not yet fully established or sufficiently mature, and existing requirements are not consistently applied across all service areas.

Processes require further development for maintaining BCPs between annual reviews, assessing key supplier resilience, following up and escalating overdue plans, and consolidating service ICT dependencies to inform recovery priorities. Service-level testing requirements were not clearly defined, while dedicated corporate Business Continuity exercises have not been undertaken periodically. Although lessons and improvement actions were identified following incidents, action owners, target dates and completion status were not consistently recorded or monitored.

Completeness issues were identified in all six service BCPs sampled, and five did not clearly explain how services would continue during disruption. Not all current Officers with Business Continuity responsibilities had completed the training appropriate to their roles. Governance documentation also required updating to clarify approval, ownership and review arrangements, and to reflect the current operation of the BCSG.

Despite these findings, the review confirmed that the principal foundations of a structured Business Continuity Framework are now in place. The BCSG ia providing oversight, Corporate Priority 1 activities have been agreed and supported by action cards, and arrangements have been introduced for incident reporting and identifying lessons learned. The Council is therefore in a significantly stronger position than at the time of the 2023/24 review, although further work is required to mature the supporting processes and embed Business Continuity arrangements consistently across services.

No High Priority Management Actions agreed.

Summary of report: Debt Management

PRIORITY FINDINGS:	High	0	Medium	7	Low	6	Advisory	0

Objective of the review	Assignment approach	Strategic objective or Strategic risks relevant to the scope of the review	Risk source
To ensure effective debt management that enables the Council to optimise cash flow and maximise income collection.	Risk Based	Doing Our Core Work Well	Corporate Plan 2023-2028

Internal audit opinion



Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).

Conclusion

The audit identified a number of control design weaknesses and instances of non-compliance within the Council's debt management arrangements. As a result, **seven medium-priority** and **six low-priority** management actions have been agreed.

Key control design weaknesses identified relate to governance and control framework arrangements. These include inconsistencies between the Sundry Debt Policy and the Council's Financial Regulations regarding debt write-off authorisation, the absence of formal approval, version control and complete governance arrangements for key debt management documents, and a lack of clearly defined roles and responsibilities between the Debt Management Team and individual service areas for debt recovery activities. The current decentralised approach to debtor account creation also presents a risk of duplicate, inaccurate, or incomplete debtor records. In addition, opportunities were identified to strengthen the management of aged debtor credit balances and improve oversight of Accounts Receivable reconciliations through documented independent review.

Areas of non-compliance were also noted. Testing identified invoices that were not raised within the timescales set out in the Sundry Debt Policy, delays in debt recovery actions and reminder letter issuance, and instances where services continued to be provided despite outstanding debts. Inconsistencies were also found in the completion of write-off documentation, and credit note approvals were not always supported by an up-to-date delegated authority framework. The review also confirmed that Accounts Receivable reconciliations continue to contain unexplained month-end differences of approximately £30,000 to £35,000 arising from a known system interface issue between

the Accounts Receivable module and the General Ledger. Whilst this issue is already subject to an existing audit recommendation, it continues to impact the accuracy and completeness of reconciliation processes.

Despite these findings, a number of key controls were found to be operating effectively. Debt recovery activity is subject to regular monitoring and testing confirmed that sampled credit notes and debt write-offs had received management approval. The overall reduction in overdue debt during the period reviewed also indicates continued focus on debt recovery activities.

Overall, while the Council has established debt management processes in place, enhancements are required to strengthen governance, accountability, document management, and compliance with established procedures. Timely implementation of the agreed actions will help improve the effectiveness and consistency of debt recovery arrangements, support the accuracy of debtor records and management information, and reduce the risk of outstanding and irrecoverable debt.

No High Priority Management Actions agreed.

Summary of report: Capital Programme Follow Up

PRIORITY FINDINGS:	High	0	Medium	1	Low	1	Advisory	0

Objective of the review	Assignment approach
To ensure that the management of capital projects is robust and that the capital programme is monitored effectively.	Follow Up

Internal audit opinion



Taking account of the issues identified in the remainder of the report and in line with our definitions, in our opinion Huntingdonshire District Council has demonstrated Reasonable Progress in implementing the agreed management actions arising from the Capital Programme audit.

Conclusion

The Council has made positive progress in strengthening controls around the review of the annual Capital Programme, the management of user access within Technology-One and the establishment of a central repository for pre-project outline business cases. However, further work is required to strengthen the governance, approval and documentation of in-year additions to the Capital Programme and to ensure that complete evidence of approvals is consistently retained within the business case repository.

Nine actions were agreed as part of the original audit, six had been marked as closed and were followed up as part of this review. Of these:

- Two Medium and one Low-priority actions have been assessed as Fully Implemented.
- One Medium priority action was assessed as Not Implemented
- One Medium priority action was assessed as Implementation Ongoing (downgraded to Low, reflecting the progress made and reduced level of risk).
- The final Low-priority action was assessed as 'No Longer Applicable', as the intended control objective was already being achieved through existing system functionality.

This represents an implementation rate of 67% across the six actions tested.

- The three remaining actions are not due for implementation until 28 February 2027 and were therefore outside the scope of detailed follow-up testing. Management confirmed that two of these actions are ready to be closed, while work on the remaining action is in progress. At the time of reporting, all three actions remained recorded as open on the action-tracking system and have therefore not been assessed as part of this review.



Internal audit actions



Appendices

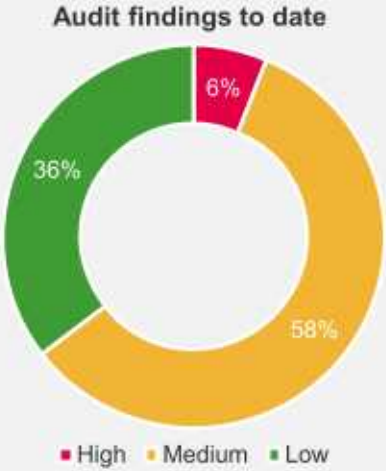
Appendix A: Progress against the internal audit plan 2026/27

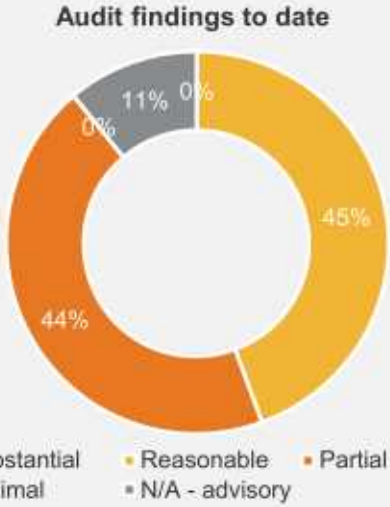
Assignment and Executive Lead	Status / opinion issued	Actions agreed				Target Committee meeting (as per IA plan / change controls*)	Actual Committee meeting
		A	L	M	H		
Recruitment and Retention	Final Report – Reasonable Assurance	0	2	2	1	July 2026	July 2026
Licensing and Environmental Health	Final Report – Reasonable Assurance	0	1	1	0	**July 2026**	**September 2026**
Data Quality – Human Resources	Final Report – Partial Assurance	0	2	1	1	**July 2026**	**September 2026**
Health and Safety	Final Report – Partial Assurance	0	2	6	1	**September 2026**	**September 2026**
Business Continuity	**Final Report – Partial Assurance**	**0**	**2**	**9**	**0**	**November 2026 (was Sept 2026)**	**November 2026**
Debt Management	**Final Report – Partial Assurance**	**0**	**6**	**7**	**0**	**November 2026 (was Sept 2026)**	**November 2026**
Community Health and Wealth Fund *	Review paused – to be rescheduled for January 2027	-	-	-	-	March 2027 (was November 2026)	
Capital Expenditure Follow Up	**Final Report – Reasonable Progress**	**0**	**1**	**1**	**0**	**November 2026**	**November 2026**
Creditor Payments Follow Up	Draft Report - 21/10/2026					January 2027 (was November 2026)	
Disabled Facility Grant Verification	**Complete – Advisory**	**0**	**0**	**0**	**0**	**November 2026**	**November 2026**
Insurance	Draft Report - 6/11/2026					January 2027	
Mandatory Training	Fieldwork in progress					January 2027	
Transformation Follow Up	Fieldwork in progress					March 2027	
Safeguarding	Fieldwork in progress					March 2027	

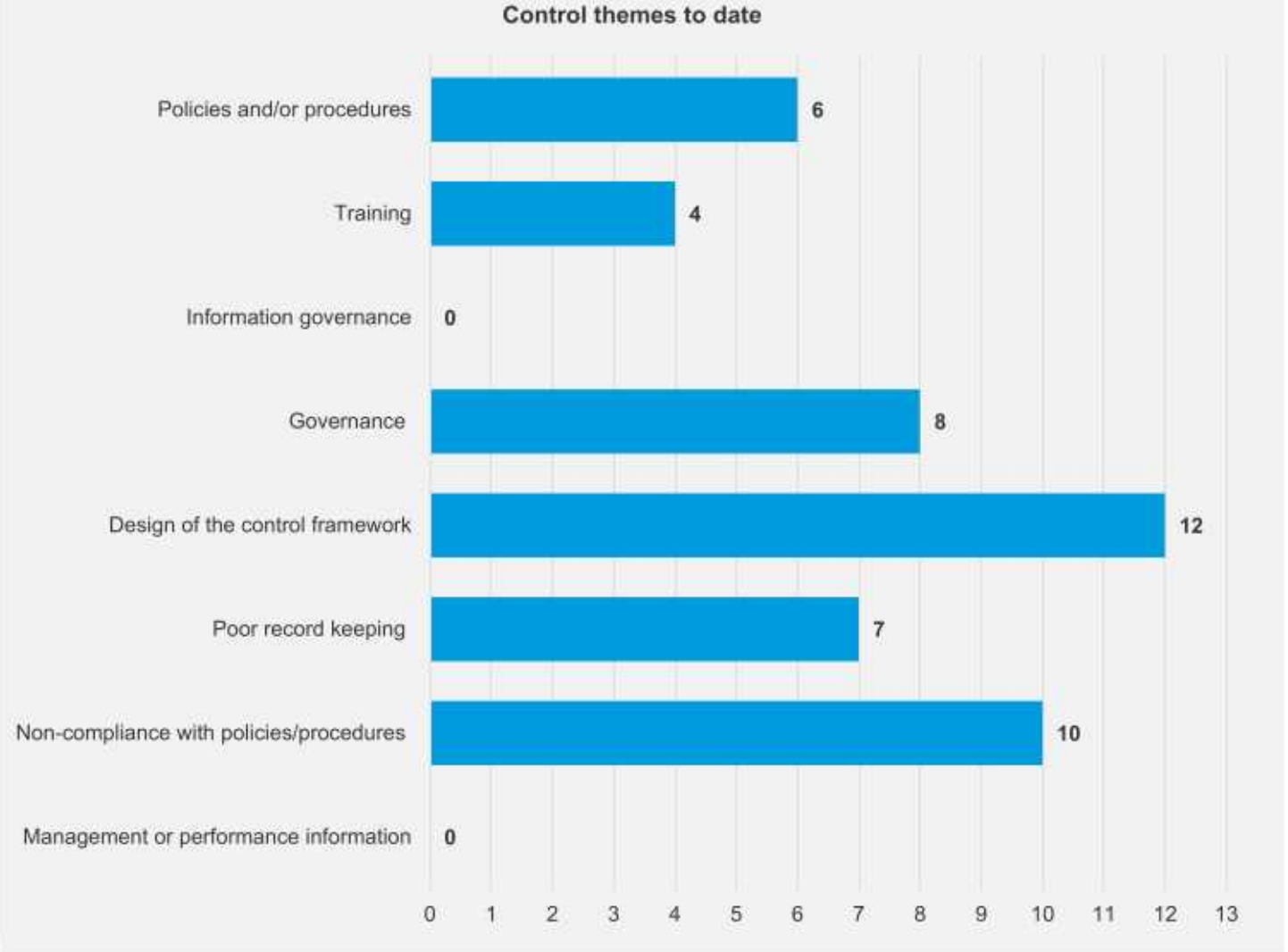
Assignment and Executive Lead	Status / opinion issued	Actions agreed				Target Committee meeting (as per IA plan / change controls*)	Actual Committee meeting
		A	L	M	H		
Risk Management	December 2026					March 2027	
General Ledger Follow Up	January 2027						
ICT Budget Management Follow Up	January 2027					March 2027	
Preparedness for LGR	February 2027					June 2027	
IT Disaster Recovery	February 2027					June 2027	
Full Follow Up	February 2027					June 2027	

*This review was paused by management due to leave of a key member of staff.

Appendix B: Audit findings and themes for 2026/27







Appendix C: Other matters

Detailed below are the changes to the audit plan since the last meeting:

Note	Auditable area	Reason for change
1	CHAWS	This review has been paused by management due to leave of a key staff member. It has provisionally been rescheduled for fieldwork in January 2027.
Previous changes to the audit plan reported to the Committee		
2	Various audits – 2026/27	For the 2026/27 plan, we have agreed some minor changes to the scheduling of internal audits, following discussions with management. The LGR audit has been moved to February 2027 at the request at the CEO, the General Ledger Follow Up has been scheduled for January 2027 (to take account of deadlines for actions), and the CHAWS audit has been brought forward (fieldwork in progress).
3	Various audits - 2026/27	For the 2026/27 plan, we have agreed some minor changes to the scheduling of internal audits, following discussions with management. This includes the BCP internal audit being brought forward to July 2026, the Mandatory Training audit moving back to October 2026, the Transformation Follow Up moving to September 2026 and the General Ledger Follow Up moving forward to August 2026.
4	Various audits - 2026/27	For the 2026/27 plan, we are in the process of scoping audits and agreeing timeframes with management. At the March 2026 meeting we submitted a draft and oversubscribed internal audit plan. We can confirm that the following audits have been removed from 2026/27 programme of work following discussions with management as these were not deemed slightly lower priority areas for 2026/27. These areas will be reconsidered as part of the 2027/28 internal audit planning process and kept under review during the next few months (Car Parking Enforcement, Sickness Absence Management, Planning).

Quality assurance and continual improvement

To ensure that RSM remains compliant with the Global Internal Audit Standards in the UK Public Sector we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2026/27. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you.

Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each review (current option).
- Monthly / quarterly / annual feedback request.
- Executive lead only, or executive lead and key team members.

RSM's External Quality Assessment

RSM commissioned the Chartered Institute of Internal Auditors to undertake an independent EQA of our internal audit services. In line with the Global Internal Audit Standards, an EQA is required at least once every five years. The review provided independent assurance that our approach aligns with the requirements of the International Professional Practices Framework (IPPF), the Global Internal Audit Standards in the UK Public Sector, and the Internal Audit Code of Practice.

Please see client briefing for more details.

Head of Internal Audit opinion 2026/27

We have issued four negative opinions to date from our final reports (Data Quality – Human Resources / Health and Safety – Open Spaces and Countryside) / Business Continuity Planning / Debt Management). We will continue to update the CEO, S151 Officer, other CLT members, and the CGC as and when reports are issued and if there is any potential impact to the year-end opinion. We will also provide updates at future CGC meetings.

Key Performance indicators

Delivery				Quality			
	Target	Actual	Notes*		Target	Actual	Notes*
Audits commenced in line with original timescales*	Yes	Yes		Conformance with the Global Internal Audit Standards in the UK Public Sector	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10 days	8 / 9 (89%)	Exception was H&S	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	10 days	5 / 9 (56%)	Exceptions: • H&S • BCP • Debt Management • Creditor Payments • Follow Up	Response time for all general enquiries for assistance	2 working days	2 days	
Final report issued within 3 days of management response	3 days	8 / 8 (100%)		Response for emergencies and potential fraud	1 working day	1 day	

* The timing of these audits were changed to accommodate staff availabilities (we have not noted any issues with these timing changes).

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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