

A meeting of the **CORPORATE GOVERNANCE COMMITTEE** will be held in **CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN** on **WEDNESDAY, 28 JANUARY 2026** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

AGENDA

APOLOGIES

1. MINUTES (Pages 5 - 10)

To approve as a correct record the Minutes of the meeting of the Committee held on 26 November 2025.

Contact Officer: Democratic Services - (01480) 388169

2. MEMBERS' INTERESTS

To receive from Members declarations as to disclosable pecuniary, other registerable and non-registerable interests in relation to any Agenda item. See Notes below.

Contact Officer: Democratic Services - (01480) 388169

3. APPOINTMENT OF LEAD INDEPENDENT PERSON (Pages 11 - 14)

To receive a report providing the Committee with an opportunity to recommend to Council the appointment of Independent Persons as required by the Localism Act 2011.

**Contact Officer: L Jablonska
(01480) 388004**

4. CORPORATE RISK REGISTER (Pages 15 - 24)

To receive a report informing the Committee of the approach and work undertaken on the Corporate Risk Register including the latest heat maps relating to the corporate risks.

**Contact Officer: L Morrison
(01480) 388178**

5. INTERNAL AUDIT STRATEGY 2026/27 (Pages 25 - 36)

To receive a report providing an update of the key areas that were considered for internal audit activity in the years 2025/26, 2026/27 and 2027/28 and providing the Committee with an early opportunity to identify any potential areas for inclusion in the 2026/27 Strategy.

**Contact Officer: L Morrison (01480) 388178
D Harris 07792 948767**

6. INTERNAL AUDIT PROGRESS REPORT (Pages 37 - 52)

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 2025/26 that was approved by the Committee on 25th March 2025.

**Contact Officer: Contact Officer: L Morrison (01480) 388178
D Harris 07792 948767**

7. INTERNAL AUDIT ACTIONS UPDATE (Pages 53 - 86)

To receive a report setting out the current position with respect to implementation of actions arising from Internal Audit reports.

Contact Officer: L Morrison (01480) 388178

8. AUDITOR'S ANNUAL REPORT 2024-25 (Pages 87 - 118)

To receive the Auditor's Annual Report 2024-25.

**Contact Officer: L Morrison
(01480) 388178**

9. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT (Pages 119 - 120)

To receive the Corporate Governance Committee Progress Report.

Contact Officer: Democratic Services - (01480) 388169

10. EXCLUSION OF PRESS AND PUBLIC

To resolve –

that the press and public be excluded from the meeting because the business to be transacted contains exempt information relating to action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

11. CYBERSECURITY UPDATE (Pages 121 - 138)

To receive a report from the Chief Digital Information Officer providing an update on activities undertaken during 2025 pertaining to Cybersecurity.

**Contact Officer: S Oliver
(01480) 388680**

20 day of January 2026

Michelle Sacks

Chief Executive and Head of Paid Service

Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests.

Further information on [Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests is available in the Council's Constitution](#)

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Please contact Democratic Services, Tel: (01480) 388169 / email: Democratic.Services@huntingdonshire.gov.uk if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.

Agenda and enclosures can be viewed on the [District Council's website](#).

Emergency Procedure

In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN on Wednesday, 26 November 2025.

PRESENT: Councillor M J Burke – Chair.

Councillors B S Chapman, J A Gray,
A R Jennings, D J Shaw and I P Taylor.

APOLOGY(IES): Apologies for absence from the meeting were submitted on behalf of Councillor P J Hodgson-Jones and P Webb.

33. MINUTES

The Minutes of the meeting of the Committee held on 24 September 2025 were approved as a correct record and signed by the Chair, subject to the inclusion of Councillor Shaw being listed as present in the meeting.

34. MEMBERS' INTERESTS

Councillor Taylor declared an interest in respect of Minute No. 25/37 as he was a landlord of properties within the Council area and wished to ask a question regarding the Renters' Rights Act and its implication on the Council, rather than himself. After clarification with the Head of Democratic Services and Monitoring Officer, he confirmed he did not consider himself to have an interest a reasonable person would think would influence his participation, and as such the interest was considered as a non-pecuniary interest.

Councillor Chapman stated that his register of interest's form needed updating as he had properties that were previously owned under a benevolent letting company which had been disposed of but which still appeared on his register of interest's form.

35. CHANGES TO THE CONSTITUTION

The Committee received a report (a copy of which is appended in the Minute Book) setting out amendments to the Council's Constitution to update the Council Procedure Rules and to establish a mechanism for any Councillor to act as a substitute on a Council body.

The Elections & Democratic Services Manager set out the report which summarised the work the Constitution Review Working Group had considered to date. Attention was drawn to Appendix 2 to the report where some minor tidying of paragraphs needed to take place, which would be addressed for the final report that would go to the Council meeting on 17th December.

In response to a question from the Committee around why there was a disparity between the 8 working days' notice required for a written

question to a member of the Cabinet, whereas there was only 5 working days' notice if a member of the public wanted to ask a question, the Elections & Democratic Services Manager advised that it was not a disparity and there was no reasoning for this. It was a legacy and there were other references in the Council Procedure Rules to 8 working days. Equally this was not raised by the Constitution Review Working Group.

In response to further questions from the Committee, the Elections & Democratic Services Manager clarified that if someone wished to submit a written question, they would need to reference that it was a written question as per the Constitution to ensure it would be picked up appropriately. The proposal was to formalise this process and subject to the proposal being approved, officers would write to Members to clarify the position in terms of the changes. In terms of paragraph 9.3, the intention was to include a standing item on the Council agenda where there were questions to the Chair's of Committees/Panels, as opposed to questions to the Chair of the Council, and the wording of that paragraph would be reviewed to clarify that intention. It was set out in statute under the 1972 Local Government Act when Annual Council meetings were to be held, to allow Councils flexibility. Furthermore, up until recently Annual Council had been held at 6.00pm, though exceptionally this year's meeting took place at 7.00pm.

The Elections & Democratic Services Manager further advised that paragraph 9.9 could be amended so that it was consistent with regards to having the option to ask a supplementary question to a written and oral question. Regarding some questions of clarification around the election of a Chair at an Annual Meeting, she would take that away for clarification, however there did not appear to be an issue. Furthermore, the recommendations in the report would go to the Full Council meeting on 17th December and the changes proposed would be effective from the date on which the Council made that decision. It was noted that the previous Constitution required that questions had to be relevant to matters for which the Council had powers or duties, which was no longer referenced in paragraph 11.1. This also would be reviewed for consistency with written and oral questions.

The Committee noted the amendments that had been suggested during the meeting and were content for the report to be updated to reflect those changes.

Whereupon, it was

RESOLVED

that the Committee

- (a) endorsed the revised Council Procedure Rules as set out in Appendix 1 to the report now submitted;
- (b) recommended to Council the approval of the replacement of the Council Procedure Rules in the Council's Constitution;
- (c) endorsed the new Substitutes Policy as set out in Appendix 3

to the report now submitted; and

- (d) recommended to Council the approval of the Substitutes Policy for insertion into the Council's Constitution.

36. CORPORATE RISK REGISTER

The Committee received a report (a copy of which is appended in the Minute Book) informing it of the approach and work undertaken on the Corporate Risk Register, including the latest heat maps relating to the corporate risks.

The Risk Manager set out the report, noting that while there had been no changes to the overall risk scoring since the last reporting period, significant work had been undertaken to strengthen resilience, regulatory compliance, fraud prevention, data protection, workforce planning and safeguarding, as well as enhancements to the risk management software.

In response to questions from the Committee around whether the Workforce Strategy was sufficient to get the Staffing Risk target priority number down from 16 to 4 and whether this was an achievable target, the Interim Corporate Director (Finance & Resources) confirmed she had been very assured that everything was on track to get to the agreed position in the timescales that had been set out. The Workforce Strategy was a robust plan with agreed actions to ensure the outcomes agreed were delivered in a timely manner. The Chief Executive had been leading on that piece of work and it was something that was discussed regularly. There was assurance from the Chief Executive because as part of the resource planning, the concern raised relating to the challenging timescales to complete the agreed actions to assure that concern had been taken into consideration. The Council needed staff being retained within the organisation. Furthermore, the concerns of staff and residents were understood.

The Head of Democratic Services & Monitoring Officer also advised that there was a Communication Strategy specifically for Local Government Reorganisation (LGR), which covered dealing with staff and staff engagement in detail. There were a significant number of mechanisms in that respect, and in addition to drop-in sessions hosted by the Chief Executive there were all-staff sessions specifically around LGR.

Whereupon, it was

RESOLVED

that the Committee commented on the reports in the appendices and progress with risk management and noted the risks to the organisation and whether they are being managed in line with the Risk Management Strategy.

37. INTERNAL AUDIT UPDATE REPORT

The Committee received a report (a copy of which is appended in the Minute Book) presenting an update on the work of the Internal Audit

Service since the last meeting.

The Audit Manager, Dan Harris of RSM set out the report noting that good progress was continuing to be made with the 2025/26 plan, with four further reports being finalised since the previous meeting in September and three positive assurance opinions issued since that meeting.

In response to a question from the Committee around the process for sharing compliments and good practices, the Audit Manager advised that in the documents, RSM had lifted the conclusion and executive summary so a lot more detail had gone in the report that had been considered by officers regarding that, and there were a number of processes in place to pick up those compliments.

A further question was raised by the Committee regarding recent government legislation in the form of the Renters' Rights Act and how this might affect the Council. The Housing Team would provide a written answer which would be circulated to the Committee.

Whereupon, it was

RESOLVED

that the report on the update on work undertaken by Internal Audit up to the end of November 2025 be received and noted.

38. INTERNAL AUDIT ACTIONS UPDATE

The Committee received a report (a copy of which is appended in the Minute Book) setting out the current position with respect to implementation of actions arising from Internal Audit reports.

The Head of Democratic Services and Monitoring Officer set out the report, noting that within the currently open actions, five had been redated from their original target date, as had previously been discussed during the previous Committee meeting.

In response to a question from the Committee, the Risk Manager advised that an appendix could be introduced to include a graph to clearly display open actions against closed actions, to help give a better visual of what progress had been made.

Whereupon, it was

RESOLVED

that the report on the current position regarding actions arising from internal audit reports, be received and noted.

39. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

The Committee received and noted a report (a copy of which is appended in the Minute Book) on progress of actions in response to decisions taken at previous meetings.

Chair

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Appointment of Lead Independent Person
Meeting/Date:	Corporate Governance Committee – 28th January 2026 Council – 25th February 2026
Executive Portfolio:	Councillor J E Harvey, Executive Councillor for Governance and Democratic Services
Report by:	Elections and Democratic Services Manager & Deputy Monitoring Officer
Ward(s) affected:	All

Executive Summary

The Localism Act 2011 established the requirement for every principal authority to appoint one or more Independent Persons whose views must be sought and considered when dealing with allegations that members have breached the Code of Conduct. The term of office of the current Lead Independent Person expires on 30th April 2026.

The Council is responsible for ensuring that the requirement to have Independent Persons is complied with.

The role of the Independent person were widened under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015. These regulations changed the localised disciplinary process in relation to the Council's Head of Paid Service, the Chief Finance Officer and the Monitoring Officer Statutory Positions. In the case of any proposed disciplinary action against such a Statutory Officer, the Council is required to appoint the Independent Person who has been appointed for the purposes of the Member's Code of Conduct regime to the Independent Panel who make recommendations to Council regarding any decision to dismiss a statutory officer.

After consultation with the current Lead Independent Person, it is recommended that the appointment of Gillian Holmes is reaffirmed. The Corporate Governance Committee is

RECOMMENDED

that for the purposes of Section of 28 of the Localism Act 2011, the Council affirm the re-appointment of Gillian Holmes to the post of

Lead Independent Person for a further two-year period to 1st April 2028 without the need for further ratification in each year by the Council at its Annual Meeting.

1. WHAT IS THIS REPORT ABOUT?

- 1.1 This report provides the Corporate Governance Committee with an opportunity to recommend to Council the appointment of Independent Persons as required by the Localism Act 2011.

2. BACKGROUND

- 2.1 The Localism Act 2011 requires every principal authority to appoint one or more Independent Persons. The Act contains strict rules preventing a person from being appointed if they are a friend or relative to any member or officer of the authority, or of any parish council within the authority's area. It also prescribes the role of Independent Persons. They must be consulted before the authority takes a decision to investigate any allegation.
- 2.2 Independent Persons, furthermore, may be consulted by a Member of the authority against whom an allegation has been made, as well as by a Parish Councillor in similar circumstances.
- 2.3 The role of the independent person was widened under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015. These regulations changed the localised disciplinary process in relation to the Council's Head of Paid Service, the Chief Finance Officer and the Monitoring Officer Statutory Positions. In the case of any proposed disciplinary action against such a statutory officer, the Council is required to appoint the independent persons who have been appointed for the purposes of the Member's Code of Conduct regime to the Independent Panel who make recommendations to Council regarding any decision to dismiss a statutory officer.
- 2.4 Gillian Holmes has been the Council's Lead Independent Person since September 2013 and brings a wealth of valuable knowledge and experience to the role. She also holds similar positions at other authorities with the Cambridgeshire area. Given the valuable contributions of impartial advice made by Gillian Holmes and the excellent working relationship established with the Monitoring Officer and Deputy Monitoring Officer in the period since her appointment, it is suggested that her term of office should be extended to 1st April 2028.
- 2.5 The previous term of appointment was until 30th April for a further two-year period, but as the Council is going through Local Government Reorganisation the period has been extended to 1st April 2028, to coincide with the vesting date of the new unitary authority. Whilst the regulations only require the Council to appoint at least one Independent Person to deal with complaints, the post of Deputy Independent Person remains vacant, and a recruitment process is required to be undertaken to fill this role. This will allow for any occasion when there may be a conflict of interest involving the Lead Independent Person.

3. CONSULTATION

- 3.1 The Lead Independent Person has been consulted and has indicated that she is willing to continue with her role in assisting the Corporate Governance Committee and with Code of Conduct investigations for a further two-year term.

4. LEGAL IMPLICATIONS

- 4.1 Section 28 of the Localism Act 2011 requires the appointment of at least one Independent Person who may not be a member, a co-opted member or officer of the authority or of a parish council within the authority area. Neither may they be a close friend or relative of any of the above.

5. RESOURCE IMPLICATIONS

- 5.1 The Lead Independent Person receives an allowance of £1,119 respectively and shall also be entitled to claim travel for attending meetings and training events.

6. CONCLUSION

- 6.1 It is necessary for the Council to consider and resolve these appointments in advance of their terms of office expiring. In so doing, this will provide continuity in the roles that are prescribed in legislation.

BACKGROUND PAPERS

District Council's Constitution

Localism Act 2011

The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015

Corporate Governance Committee Reports/Minutes.

CONTACT OFFICER

Name/Job Title: Lisa Jablonska, Elections and Democratic Services Manager &
Deputy Monitoring Officer
Tel No: (01480) 388004
Email: lisa.jablonska@huntingdonshire.gov.uk

Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Corporate Risk Register

Meeting/Date: Corporate Governance Committee
28 January 2026

Executive Portfolio: Executive Councillor for Governance &
Democratic Services
Cllr Jo Harvey

Report by: Corporate Director – Finance and Resources

Wards affected: All

Executive Summary:

This report provides an update on the Corporate Risk Register and presents a heat map relating to the current residual risk scores and a summary report. It provides the Committee with the opportunity to comment on and offer challenge to the Corporate Leadership Team as part of the active management of risks.

The Committee is

RECOMMENDED

To comment on the reports in the appendices and progress with risk management.

1. PURPOSE OF THE REPORT

- 1.1 This report informs the Committee of the approach and work undertaken on the Corporate Risk Register including the latest heat maps relating to the corporate risks.

2. WHY IS THIS REPORT NECESSARY

- 2.1 Effective Risk Management is a critical part of the organisation's governance. The Corporate Risk Register identifies those areas where the Council should take action to mitigate its exposure and informs the annual plan for Internal Audit.
- 2.2 Presenting the Risk Register to each meeting of the Committee is an integral part of the overall governance process as set out in the Council's Risk Management Strategy.

3. CURRENT CORPORATE RISK REGISTER

- 3.1 There has been one change to the Corporate Risk Register scoring since the last reporting period which is as follows:

- 3.1.1 **CORP0016 Transformation** - The target risk scores likelihood rating has been reduced from 3 to 2, resulting in a revised overall risk score of 6 (Medium) as seen in Appendix 1. This adjustment reflects the development and implementation of a comprehensive transformation framework, supported by a clearly defined governance structure. Further enhancements are in progress following the actions found in the internal audit report. Regular progress updates are being provided on actions.

- 3.2 A breakdown of the actions and/or activities that have taken place for the risks with targets has been provided below:

- 3.2.1 **CORP0006 Resilience** - Training for Silver and Bronze officers has been completed, with activation arrangements now in place through the graduated response process. Gold officer training is scheduled for January 2026 focusing on the Councils' legal responsibilities and strategic leadership duties. Business Continuity arrangements are subject to ongoing training, exercising and quarterly governance oversight. Desktop exercises will further strengthen response capability, with the likelihood rating to be reviewed as maturity increases. HDC supported a major incident in October 2025; a subsequent debrief has been completed and agreed improvement actions are now being implemented.

- 3.2.2 **CORP0008 Regulatory** – The Council continues to keep a strategic watch on legislative developments through horizon scanning, Statutory Officer discussions, and regular meetings of both the internal Governance Board and the Senior Leadership Team. This will support timely updates to governance frameworks and ensure appropriate reporting to the Corporate Governance Committee. The effectiveness of these arrangements will be monitored on an ongoing basis.

- 3.2.3 **CORP0009 Fraud** - Seven fraud, bribery and corruption risk assessment workshops have been delivered throughout November and December to equip staff with the knowledge and skills with identifying, assessing and treating fraud, bribery and corruption activities that could occur within their service areas. This forms part of the Anti-fraud, Bribery and Corruption Strategy 2025 -2028.
- 3.2.4 **CORP0010 Data Protection** - Internal Audit actions associated with this risk are detailed in Item 8 of Appendix 3. These actions are currently in progress and updates are being requested by the Internal Audit team, which action owners are providing regular status updates. A project plan has been established to support the full implementation of a number of these actions before the current target dates outlined in the appendix.
- 3.2.5 **CORP0012 Staffing** - The Council is making steady progress in delivering its Workforce Strategy to meet future skills and workforce needs. The strategy supports attraction, retention, staff development, engagement, and well-being, helping position the Council as an employer of choice. Implementation is underway, with elements already embedded and full transition to business-as-usual targeted for August 2026.
- 3.2.6 **CORP0017 Safeguarding** - The council continues to make positive strides in safeguarding training compliance. Three key courses have been delivered with strong engagement:
- **Intermediate Safeguarding Awareness (Level 2):**
15 staff assigned, with 9 completions (60% progress).
 - **Safeguarding Adults - eLearning:**
612 staff assigned, 321 completions (52.5% progress).
 - **Safeguarding Children - eLearning:**
612 staff assigned, 317 completions (51.8% progress).

Overall, more than half of all assigned staff have successfully completed their training, demonstrating a clear commitment to safeguarding responsibilities. To support full compliance, regular reminders are being issued to staff with outstanding assignments, and escalation to line managers is in place for persistent non-completion. This structured follow-up ensures accountability and reinforces the importance of safeguarding across all service areas. These actions reflect the council's proactive approach to governance and its dedication to maintaining a safe and supportive environment for all residents.

- 3.2.7 **CORP0018 Equality, Diversity and Inclusion (EDI)** - The Council has launched a new Equality, Diversity, and Inclusion (EDI) Group to reinforce its commitment to fostering an inclusive culture across HDC, where all individuals feel valued, respected, and supported to thrive. The Group will lead on raising awareness of EDI topics, promoting initiatives and events throughout the year, and championing diverse voices across the organisation. Its formation stems from the Workforce Strategy

engagement process and is expected to contribute to mitigating the risk associated with CORP0012.

3.2.8 **CORP0019 Local Government Reorganisation (LGR)** - Since the last report to the Committee, Officers have continued to progress actions arising from the enterprise wide review of risks associated with Local Government Reorganisation (LGR). The LGR risk register has now been embedded into routine risk management arrangements, with all 12 identified risks formally allocated to named owners and review schedules agreed.

4. RISK MANAGEMENT STRATEGY

4.1 The draft Risk Management Strategy and Policy is currently undergoing review and will progress through the necessary governance stages before being presented to this Committee for consideration and approval.

4.2 Training on the 4Risk software has continued to be rolled out across service areas to support the effective logging of risks. This process will enable the consolidation, aggregation, and assessment of data, ensuring that principal risks are identified and managed appropriately.

5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

5.1 Effective risk management is a key aspect of ensuring that the Council is efficient and sustainable service delivery.

6. RESOURCE IMPLICATIONS

6.1 Risk Management is now provided by the Risk Team.

LIST OF APPENDICES INCLUDED

Appendix 1 - Corporate Risk Register Summary

Appendix 2 - Risk Heat Maps

CONTACT OFFICER

Name/Job Title: Lydia Morrison, Interim Corporate Director – Finance and Resources

Telephone: 01480 388178

Email: Lydia.Morrison@huntingdonshire.gov.uk

APPENDIX 1 – CORPORATE RISK REGISTER SUMMARY



Risk Register						
Prefix	Risk Title	Risk Description	Risk Owner	Inherent Priority	Residual Priority	Target Priority
CORP0001	Cyber	Successful / serious cyber security attack on the Council	Corporate Director (People)	Very High (5:4=20)	High (5:2=10)	High (5:2=10)
CORP0002	Service Quality	Unable to maintain and build quality and consistency in service provision by the Council	Corporate Director (People)	Very High (4:4=16)	High (3:3=9)	High (3:3=9)
CORP0003	Political	Unable to effectively respond to changes in political priorities and policies	Chief Executive	High (3:4=12)	Medium (3:2=6)	Medium (3:2=6)
CORP0004	Financial	Failure to preserve Council's financial position	Interim Corporate Director - Finance & Resources	Very High (4:4=16)	Medium (3:1=3)	Medium (3:1=3)
CORP0005	Governance	Governance failure	Chief Executive	High (4:3=12)	Medium (3:2=6)	Medium (3:2=6)
CORP0006	Resilience	Inability to effectively respond to a major disruption / critical event	Corporate Director (People)	High (4:3=12)	High (3:3=9)	Medium (3:2=6)
CORP0007	Health & Safety	Serious health, safety, and well-being failure by the Council	Chief Executive	Very High (5:3=15)	High (5:2=10)	High (5:2=10)
CORP0008	Regulatory	Unable to meet requirements of new regulations and legislation affecting the Council	Chief Executive	Very High (4:4=16)	High (3:3=9)	Medium (3:2=6)
CORP0009	Fraud	Significant fraud/ theft successfully committed against the Council	Interim Corporate Director - Finance & Resources	High (4:3=12)	Medium (3:2=6)	Low (2:2=4)
CORP0010	Data Protection	Major confidentiality breach on the part of the Council.	Corporate Director (People)	Very High (4:4=16)	High (4:2=8)	Medium (3:2=6)
CORP0011	Environmental	Failure to ensure that the Council responds effectively to its environmental obligations (both legislative and policy); undertakes its activities whilst ensure environment compliance where appropriate; and effectively responds to the climate change challenge in so far as it relates to the Council's policies and obligations to the District.	Corporate Director (Place)	High (4:3=12)	High (4:2=8)	High (4:2=8)
CORP0012	Staffing	Failure to recruit, develop, support and retain high quality / calibre staff across all Council services.	Chief Executive	Very High (4:4=16)	High (3:3=9)	Low (2:2=4)
CORP0013	Partnerships / Collaboration	Not maintaining and developing fruitful partnerships and collaborations	Chief Executive	Very High (4:4=16)	Medium (3:2=6)	Medium (3:2=6)
CORP0014	Stakeholder Engagement	Not effectively engaging with our key external stakeholders	Chief Executive	Very High (4:4=16)	Medium (3:2=6)	Medium (3:2=6)
CORP0015	Housing and Infrastructure	Failing to effectively plan for and manage the current and future housing demands and infrastructure development - resulting in a barrier to growth and investment, or detrimental impact on communities.	Corporate Director (Place)	Very High (4:4=16)	High (4:2=8)	High (4:2=8)
CORP0016	Transformation	The Council fails to manage its transformation strategy (including digital)	Corporate Director (People)	Very High (4:4=16)	High (3:3=9)	Medium (3:2=6)
CORP0017	Safeguarding	Failure to ensure there are robust systems in place to address safeguarding and prevent duty concerns	Chief Executive	High (4:3=12)	High (3:3=9)	Medium (3:2=6)
CORP0018	Equality, Diversity and Inclusion	The Council fails to support and embed its equality, diversity and inclusion ethos.	Chief Executive	High (4:3=12)	Medium (2:3=6)	Low (2:2=4)
CORP0019	Local Government Reorganisation (LGR)	Failure to effectively plan for Local Government Reorganisation (LGR)	Chief Executive	Very High (4:5=20)	High (3:4=12)	High (3:3=9)

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**APPENDIX 2 –
RISK HEAT MAPS: INHERENT RISK RATING**



RISK HEAT MAPS: RESIDUAL RISK RATING



RISK HEAT MAPS: TARGET RISK RATING



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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Strategy 2026/27

Meeting/Date: Corporate Governance Committee – 28th January 2026

Executive Portfolio: Executive Councillor for Governance & Democratic Services - Councillor Jo Harvey

Report by: Internal Audit Manager – Dan Harris (RSM)
Corporate Director – Finance and Resources

Wards affected: All

Executive Summary:

This report provides an update by RSM on the Internal Audit Strategy for 2026/27.

RSM proposed that the full Internal Audit Plan 2026/27 for Huntingdonshire District Council is to be presented to the Corporate Governance Committee (CGC) in March 2026 for approval. The Committee will be asked to approve the Internal Audit Plan and associated Internal Audit Charter at that meeting.

RSM have agreed with management to bring the Strategy that was approved at the meeting on 25th March 2025 back to the Committee to provide Members with an early opportunity to identify any potential areas for potential inclusion in the 2026/27 Strategy.

The Internal Audit Strategy appended sets out the key areas that were considered for internal audit activity in the years 2025/26, 2026/27 and 2027/28.

Recommendation:

The Committee is

RECOMMENDED

to comment on and note the Internal Audit Strategy for 2026/27.

1. PURPOSE OF THE REPORT

- 1.1 This purpose of this report provides an update for the Committee of the key areas that were considered for internal audit activity in the years 2025/26, 2026/27 and 2027/28 and provides Members of the Committee with an early opportunity to identify any potential areas for inclusion in the 2026/27 Strategy.

2. BACKGROUND

- 2.1 The activities of the Internal Audit Team are pivotal to the organisation's governance, risk management 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. LEGAL IMPLICATIONS

- 3.1 None

4. RESOURCE IMPLICATIONS

- 4.1 No additional resource requirements arise from this report.

5. LIST OF APPENDICES INCLUDED

Appendix 1 – Internal Audit Strategy Report from RSM LLP

CONTACT OFFICER

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HUNTINGDONSHIRE DISTRICT COUNCIL

Internal Audit Planning for 2026/27 (and IA Strategy 2025/26 – 2027/28)

Presented at the Corporate Governance Committee meeting of: 28 January 2026

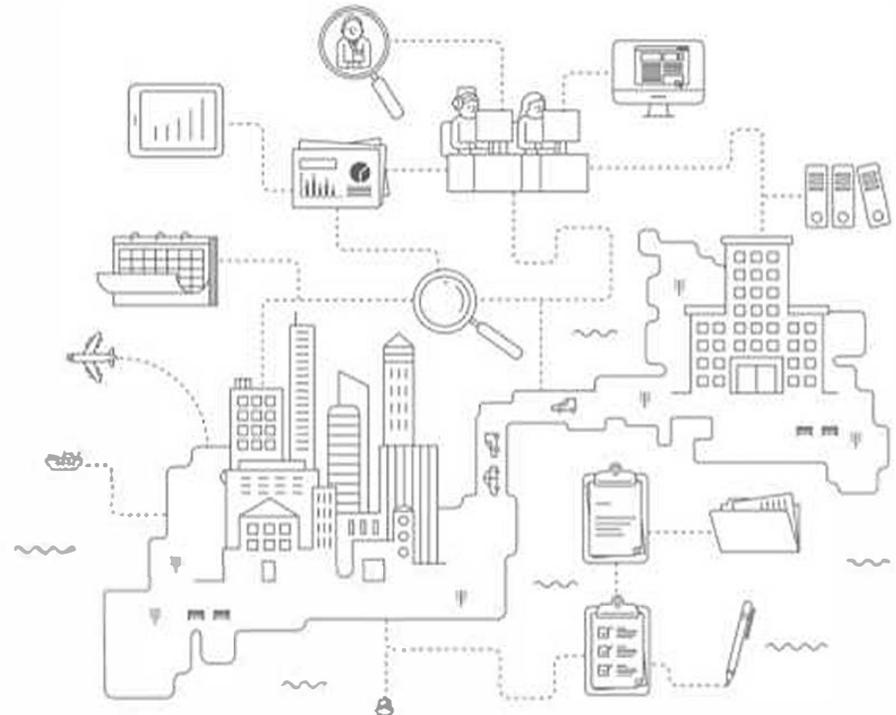
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EXECUTIVE SUMMARY

Our approach to developing your internal audit plan will be based on analysing your corporate objectives, risk profile and assurance framework as well as other factors affecting Huntingdonshire District Council in the year ahead, including changes within the sector.

We aim for the full Internal Audit Plan 2026/27 for Huntingdonshire District Council to be presented for approval by the Corporate Governance Committee (CGC) in March 2026. The Committee will be asked to approve the Internal Audit Plan and associated Internal Audit Charter at that meeting.

We have agreed with management to bring the Strategy that was approved at the March 2025 meeting back to this CGC to provide members of the Committee with an early opportunity to identify any potential areas for potential inclusion in the 2026/27 strategy.

The Internal Audit Strategy appended below sets out the key areas that were considered for internal audit activity in the years 2025/26, 2026/27 and 2027/28.

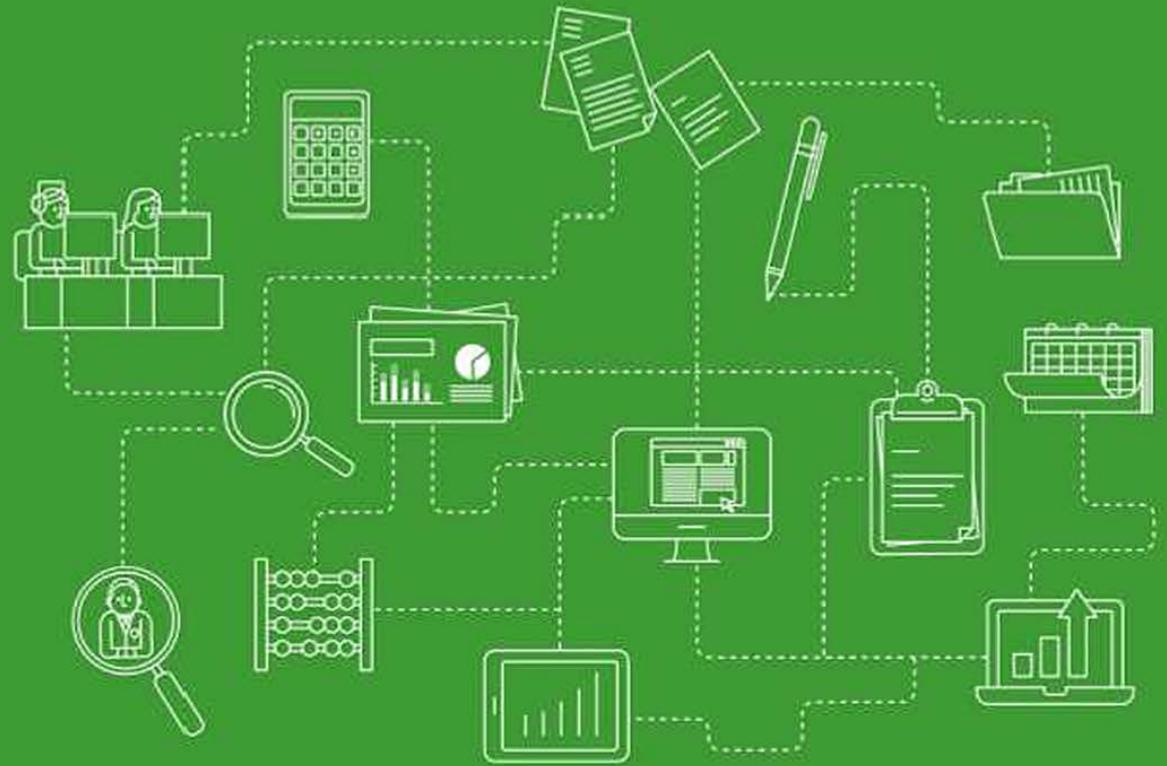
The key points to note from this update are as follows:

- RSM is due to commence a series of annual planning meetings with members of the Corporate Leadership Team in order to understand and prioritise risk and assurance needs for 2026/27.
- Internal Audit will take into consideration the organisation's strategic risks, key objectives, and assurance framework in developing the risk-based internal audit plan.
- The CGC is invited to consider any areas or emerging risks members consider should be included in next year's plan.
- We have updated the table below to state the overall assurance opinions from delivery of the 2025/26 plan, where reports have been finalised.
- Two areas have been added for potential consideration on 'The new Employment Rights Act 2025' and 'Fraud Healthcheck'

Internal Audit Strategy 2022/23 – 2027/28

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2.1 INTERNAL AUDIT STRATEGY 2022/23 -2027/28

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy, and audits provided by previous internal audit providers. RSM commenced work with HDC in January 2025. This table has been derived from RSM defined methodology and process, as well as our own view of the risks facing the sector as a whole. This table will be updated as part of the annual planning meetings for 2026/27.

Audit Area	Strategic / Operational Risk	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Data Quality and Performance Management					Partial Assurance		✓
Corporate Governance / Scheme of Delegation / Committee Structure	Risk 5			Reasonable Assurance		✓	
Council Tax					Reasonable Assurance	✓	
Housing Benefits					Reasonable Assurance		✓
Business Rates					Reasonable Assurance		✓
Community Engagement	Risk 14					✓	
Partnerships / Stakeholder Management	Risk 13 / Risk 14						✓
Capacity Planning	Risk 2 / Risk 3				Advisory		
Capital Expenditure	Risk 4				Partial Assurance		✓
Workforce Development Strategy	Risk 12				Substantial Assurance		✓
Complaints and Compliments Management					Reasonable Assurance		
Transformation / Digital Transformation	Risk 16				Partial Assurance	✓	
Artificial Intelligence (AI)					✓		
Insurance							

Audit Area	Strategic / Operational Risk	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Licensing						✓	
Effectiveness of Chief Digital Information Officer (CDIO) Role	Risk 1				✓		
Democratic Services					✓		
Market Towns Programme					✓		
Waste Management						✓	
Shadow IT / Service-procured Systems	Risk 1		Adequate				
Fuel Usage & Payments			Adequate				✓
Employment Rights Act 2025 - Compliance							✓
Fraud Healthcheck							✓
Car Parking						✓	
Payroll			Adequate		Reasonable Assurance	✓	✓
Planning Applications KPIs			Adequate				✓
Shared Service ICT Cost Allocations	Risk 1		Adequate				
Section 106 Agreements / Planning			Adequate			✓	
Risk Management	All risks		Limited		✓	✓	✓
Social Value (in Procurement) / Contract Management	Risk 9		Limited			Partial Assurance	✓
Purchasing Cards / Procurement	Risk 9		Limited			Partial Assurance	✓
CIPFA Financial Management Code	Risk 4			Adequate			
Safeguarding	Risk 17			Adequate			✓
Tree Management				Adequate			
Disabled Facilities Grants Annual Declaration				✓	✓	✓	✓

Audit Area	Strategic / Operational Risk	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Climate - Carbon Data / Environment	Risk 11		Adequate				✓
Business Continuity Planning	Risk 6		Advisory			✓	
IT Audit / IT Procurement and Contract Management / Critical Application Security	Risk 1		Advisory			✓	✓
People Capacity / People / Human Resources	Risk 12		Advisory		Partial Assurance	✓	✓
Freedom of Information (FOI)						✓	
GDPR Healthcheck	Risk 10		Advisory		✓		✓
Budgetary Control / Medium Term Financial Planning	Risk 4			Reasonable		✓	
Operational Vehicles Maintenance Process				Reasonable			✓
One Leisure, Pool Operation Records / Leisure Provision				Limited		✓	
Review of Commercial Estates rent review processes and invoicing / Estates Management				Limited			✓
Green Bin Implementation and transfer to BAU operations				Limited			
Key Financial Controls – Creditors	Risk 4 / Risk 9				Partial Assurance	✓	✓
Key Financial Controls – General Ledger					Partial Assurance		
Housing / Homelessness / Temporary Accommodation	Risk 15					✓	
Equality and Diversity	Risk 18						✓
Staff Mental Health and Wellbeing	Risk 7					✓	

Audit Area	Strategic / Operational Risk	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Home / Hybrid Working	Risk 7			Advisory			✓
Health and Safety	Risk 7					✓	
Follow Up	All risks			✓	✓	✓	✓

FOR FURTHER INFORMATION CONTACT



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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Progress Report

Meeting/Date: Corporate Governance Committee -
28th January 2026

Executive Portfolio: Executive Councillor for Governance &
Democratic Services – Councillor J Harvey

Report by: Internal Audit Manager – Dan Harris (RSM)
Corporate Director – Finance and Resources

Wards affected: All

Executive Summary:

This report sets out a summary of the work undertaken by the Internal Audit Service since the Committee last met in November 2025.

Recommendation:

The Committee is

RECOMMENDED

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

1. PURPOSE OF THE REPORT

- 1.1 This 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 2025/26 that was approved by the Committee on 25th March 2025.

2. BACKGROUND

- 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. LEGAL IMPLICATIONS

- 3.1 None

4. RESOURCE IMPLICATIONS

- 4.1 No additional resource requirements arise from this report.

LIST OF APPENDICES INCLUDED

Appendix 1 – Internal Audit Progress Report from RSM LLP

CONTACT OFFICER

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HUNTINGDONSHIRE DISTRICT COUNCIL

Internal Audit Progress Report

Corporate Governance Committee – 28 January 2026

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KEY MESSAGES

The internal audit plan for 2025/26 was approved by the Corporate Governance Committee (CGC) on 25 March 2025. This report provides an update on progress against that plan and summarises the results of the work completed by to date.



2025/26 Internal Audit Plan – Since the last CGC meeting in November 2025, we have finalised the following three internal audit reports:

- Capacity Plannin (Advisory)
- General Ledger (Partial Assurance)
- Workforce Development Strategy (Substantial Assurance)

The following internal audit report has been issued in draft:

- Follow Up – Part One

Fieldwork for the following reviews is currently in progress:

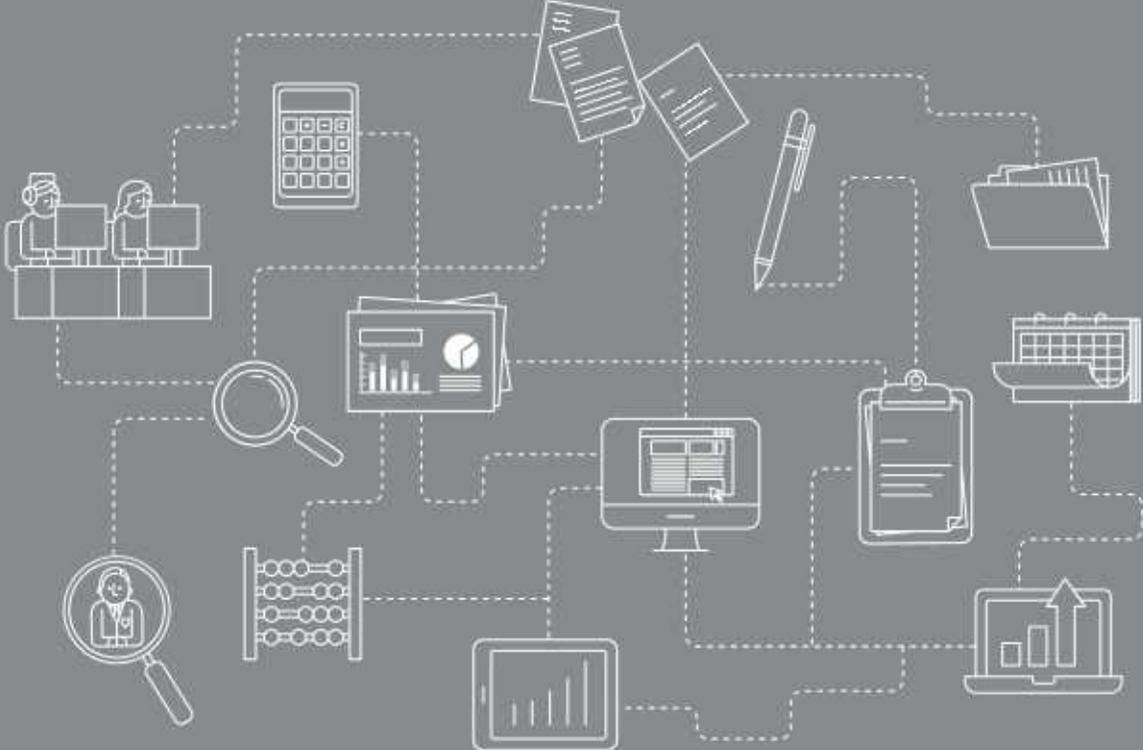
- Market Towns Programme
- Democratic Services
- Risk Management
- Effectiveness of CDIO Role [to note]

Details of the progress made, and scheduling of the 2025/26 internal audit plan are included at Appendix A. [To note]



Final Reports

01



1. FINAL REPORTS

1.1 Summary of the key issues arising from the final reports being presented to this Committee

This section summarises the reports that have been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed		
		L	M	H
<p>Capacity Planning 2025/26:</p> <p>This advisory review has identified several weaknesses in how the Council assesses and understands service capacity and resourcing, resulting in one high, three medium and one low priority management actions.</p> <p>There is currently no consistent approach for understanding service capacity or resource availability across BAU and change activity which limits visibility of whether the Council has sufficient capacity to deliver its statutory activity alongside transformation commitments. While Service Planning captures planned activity, it includes only limited questions on resourcing and does not require services to evidence how BAU activity or wider capacity has been assessed. As such, it cannot be relied upon to provide assurance that resources are sufficient or that the Council is not at risk of overcommitting. This will become increasingly important as the Council prepares for Local Government Reorganisation (LGR), where a clearer understanding of individual service pressures and capacity will be essential.</p> <p>The testing also identified that there is no single documented methodology setting out the required content of Service Plans, the roles and responsibilities at each stage, or the expected review and approval route. Similarly, the Transformation Team's review and challenge activity is not yet documented or supported by defined criteria or a standardised approach.</p> <p>There are several strengths that provide a solid foundation for improving capacity planning. The Corporate Plan sets clear strategic priorities, giving services a shared understanding of where resources should be focused. Service Planning offers a mechanism for recording planned activity, which supports delivery of these priorities. For the 2026/27 cycle, the Transformation Team provided guidance, templates, and optional one-to-one support to help managers complete their plans. The introduction of Microsoft Lists with mandatory fields aims to improve consistency and to ensure key information is captured. These developments demonstrate a commitment to improving service planning processes and creates an opportunity to embed a more formal and consistent approach to assessing capacity and resourcing within future Service Planning cycles.</p> <p><u>High Priority Action:</u></p> <p>Consider the development of a proportionate, corporate approach for assessing capacity and resource availability across all service areas. This should support services to:</p>	Advisory			
		1	3	1

Assignment

Opinion issued

Actions agreed

L M H

- Set out their BAU activity, planned change work and expected future pressures
- Understand the time and effort involved in BAU tasks, including typical volumes and peaks
- Record the resources they have available, such as people, time and skills
- Compare workload with available capacity so they can identify gaps, pressures or risks of overcommitting.
- Provide clear capacity information to support decision making, rather than relying solely on professional judgement.

Capacity assessments should be reported and monitored through an agreed route so that risks are visible and the Council can see where support or prioritisation is needed.

Responsible Owner: Interim Head of Service for Transformation and Corporate Reporting, Lucy Aston

Deadline: 30 September 2026

General Ledger 2025/26:

Partial Assurance

The audit identified several control design weaknesses and instances of non-compliance within the Council's General Ledger processes. As a result, six medium-priority and six low-priority management actions have been agreed.

Key control design weaknesses observed highlight the need to strengthen governance, particularly in relation to the absence of formal policies governing journal processing and amendments to the chart of accounts, gaps in document governance such as missing version control and review dates, and the lack of sample checks on high-value journals. Segregation of duties requires consideration, particularly in relation to cash postings and bank reconciliations. In addition, the payroll reconciliation process is not consistently reviewed or incorporated into the finance month-end checklist. Systems and data assurance controls also require strengthening; the annual TechOne user access review log does not include fields to evidence the completion of required changes, and there is no formal assurance over daily data backups performed by TechOne.

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Areas of non-compliance were also noted. The Council's Financial Regulations, included within the Constitution, require updating, unexplained differences were identified in the accounts receivable reconciliation due to a known system issue, and the month-end checklist has not been consistently reviewed by the Head of Finance or a designated deputy.

Overall, while some compensating controls are in place, enhancements are needed to strengthen governance, improve segregation of duties, and ensure more robust documentation, monitoring, and review practices. Timely implementation of the agreed actions will help reduce the risk of financial reporting inaccuracies and potential irregularities, supporting more reliable financial management and oversight.

No high priority management actions.

Workforce Development Strategy 2025/26:

Substantial Assurance

Overall, we found that the Workforce Development Strategy and its associated initiatives are supported by an established governance structure and regular reporting to the Employment Committee, which provides oversight over the implementation

1 0 0

Assignment**Opinion issued****Actions agreed**

L M H

of actions. The Strategy is clearly set out and supported by an action plan with defined themes and SMART-aligned activities, and we noted increasing completion of actions over time. The Leadership Development Programme is also in place with structured modules and attendance tracking, and the Council actively gathers staff feedback through surveys and quarterly roadshows.

However, some areas for improvement were noted. While compliance with the Leadership Development Programme is monitored through the attendance spreadsheet and follow-up actions, key discussions regarding progress are not formally recorded, limiting visibility over whether managers complete mandatory training. In addition, there is no central oversight of the revised one to one process; this approach is intentional to respect the sensitive wellbeing section within the discussions and to align with organisational values of accountability and fostering an adult-to-adult culture. The 2025 annual staff survey results indicate variation in how often meetings take place, creating a risk of reduced engagement and missed development discussions. However, proactive and proportionate measures are already in place and further are being considered, and we therefore did not agree a management action.

No high priority management actions.

Appendices

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APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2025/26

Assignment	Status / Opinion issued / Start date	Actions agreed			Target CGC	Actual CGC meeting
		H	M	L		
1 Human Resources – Recruitment and Retention	Final Report – Partial Assurance	1	6	1	July 2025	July 2025
2 Payroll	Final Report – Reasonable Assurance	1	4	0	September 2025 (now Nov 2025)	November 2025
3 Capital Expenditure	Final Report – Partial Assurance	0	7	2	September 2025	September 2025
4 Data Quality and Performance Management	Final Report – Partial Assurance	1	4	3	September 2025	September 2025
5 Contract Management	Final Report – Partial Assurance	1	5	1	September 2025	September 2025
6 Procurement	Final Report – Partial Assurance	1	4	6	March 2026	September 2025
7 Transformation	Final Report – Partial Assurance	1	8	2	September 2025	September 2025
8 Council Tax	Final Report – Reasonable Assurance	0	1	7	September 2025	September 2025
9 Housing Benefits	Final Report – Reasonable Assurance	0	0	7	September 2025	September 2025
10 Complaints and Compliments	Final Report – Reasonable Assurance	0	4	2	November 2025	November 2025
11 Business Rates	Final Report – Reasonable Assurance	0	1	3	November 2025	November 2025
12 Creditor Payments	Final Report – Partial Assurance	2	9	1	November 2025	November 2025
13 Disabled Facility Grant (DFG) Verification	Assignment Complete	-	-	-	N/A	N/A
14 Capacity Planning	Final Report – Advisory	1	3	1	November 2025	January 2026
15 General Ledger	Final Report – Partial Assurance	0	6	0	January 2026	January 2026
16 Workforce Development Strategy	Final Report – Substantial Assurance	0	0	1	March 2026	January 2026
17 Follow Up – Part 1	Draft Report				March 2026	
Follow Up – Part 2	February 2026				June 2026	
18 Market Towns Programme	Fieldwork in progress				March 2026	
19 Effectiveness of CDIO Role	Fieldwork in progress				March 2026	

Assignment	Status / Opinion issued / Start date	Actions agreed			Target CGC	Actual CGC meeting
		H	M	L		
20 Risk Management	Fieldwork in progress				Jan 2026 (now March 2026)	
21 Democratic Services	Fieldwork in progress				March 2026	
22 ICT Budget Management (replaces AI)	February / March 2026 - planning				June 2026	
23 GDPR (Advisory)	February 2026 – planning				June 2026	

APPENDIX B: OTHER MATTERS

There have been the following changes to the Internal Audit Plan for 2025/26 since the last meeting in November 2025.

Note	Auditable area	Reason for change
2	Artificial Intelligence (AI)	We have been requested by the Section 151 Officer and the Chief Digital and Information Officer (CDIO) to replace the Artificial Intelligence (AI) internal audit with a review into ICT Budget Management. We are in the process of scoping and scheduling this review.
3	Risk Management – start date change	The Risk Management review is now scheduled for Q4 at the request of the previous S151 Officer and the Monitoring Officer. This review will be an advisory review to provide forward looking advice in respect of methods to further develop and enhance risk management arrangements. Given the Risk Manager is relatively new in post, it was agreed that a review in Q4 would add most value.
4	Various IT Audits	Following further scoping meetings we have amended some timeframes for audits with audit sponsors. These amendments in timing were made in respect of the technology risk related audits, including Artificial Intelligence (AI), Effectiveness of CDIO Role and GDPR reviews. This is a result of scoping meetings with the relevant 3C Shared Services Director.

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Detailed below are the changes to the 2025/26 plan previously reported to the Committee.

Note	Auditable area	Reason for change
1	Various Audits – Start date changes	We have commenced the scheduling process for the 2025/26 internal audits and there have been some minor changes to timing of reviews. This includes Capital Expenditure moved to Q1, Data Quality and Performance Reporting moved to Q1 and Workforce Development Strategy has moved to commence in Q3.

Head of Internal Audit opinion 2025/26

The Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular the Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified / negative annual opinion.

We have issued eight negative (partial) assurance reports for the year to date. We agreed with the CEO and S151 that this was possible given some of these areas have not been subject to review in recent years, and we have agreed wider scopes of work. These eight opinions will impact the year end opinion. We do have two follow up audits to carry out, one of which has been issued in draft, and a part two that is scheduled for March 2026. When finalised, these Follow Ups will determine if these actions have been implemented promptly in year, which will also be taken into account when preparing our opinion.

We will keep the S151 Officer, and the wider CLT apprised of the potential impact on the year end opinion as more reports are finalised. We will also advise the Committee at the next meeting, and we have further briefing scheduled in January 2026 for the lead Councillor for Governance, with further briefings scheduled in 2026.

We have provided the definitions of our assurance opinions at Appendix C to this report.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit 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 being used to inform the training needs of our audit teams. The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department. This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

APPENDIX C: ASSURANCE OPINIONS



Minimal Assurance

Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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



Reasonable Assurance

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

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Partial Assurance

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).



Substantial Assurance

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

FOR FURTHER INFORMATION CONTACT



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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Actions – update report

Meeting/Date: Corporate Governance Committee
28 January 2026

Executive Portfolio: Executive Councillor for Governance &
Democratic Services
Cllr Jo Harvey

Report by: Interim Corporate Director –
Finance and Resources
(On behalf of Corporate Leadership Team)

Wards affected: All

Executive Summary:

This report summarises the progress in implementing management actions arising from final internal audit reports. Implementation of the actions are the responsibility of the relevant managers with oversight from Corporate Leadership Team.

Further information relating to the Internal Audits carried out will be reported in a separate paper.

Recommendation:

The Committee is

RECOMMENDED

To comment on and note the current position regarding actions arising from internal audit reports.

1. PURPOSE OF THE REPORT

- 1.1 This report sets out the current position with respect to implementation of actions arising from Internal Audit reports.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

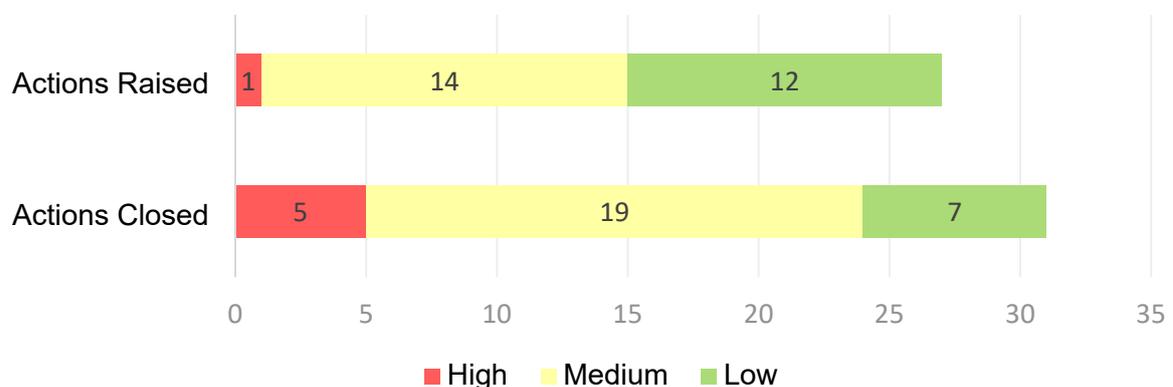
- 2.1 This report summarises the position regarding audit actions arising from final Internal Audit reports. Progress on the completion of audit actions remains under regular review. While the additional pressures arising from Local Government Reorganisation have created some capacity challenges, Officers remain confident in their ability to deliver the required actions within acceptable timeframes. Officers will continue to monitor workloads closely and, where any capacity issues do arise in relation to audit actions, will ensure the Committee is appraised.

3. OVERLL PROGRESS SINCE THE LAST COMMITTEE MEETING

- 3.1 Since the last committee meeting:

- 31 internal audit actions were closed; and
- 27 new internal audit actions were raised.

The bar chart below provides a visual summary of internal audit actions closed and raised since the last Committee meeting, split by priority.



4. CURRENT OPEN ACTIONS POSITION

- 4.1 There are currently 51 open internal audit actions, comprising of 5 High, 33 Medium and 13 Low priority actions. Of these open actions, 5 are overdue.
- 4.2 Appendices 1 and 2 sets out all the actions that remain open from final internal audit reports. It includes the agreed management actions, original and revised target dates, and the latest updates provided by action assignees.

5. ACTIONS CLOSED SINCE LAST COMMITTEE MEETING

- 5.1 Since the last Committee meeting, 31 internal audit actions have been closed, comprising of 5 High, 19 Medium and 7 Low priority actions.
- 5.2 Of the 31 closed actions, 18 were closed on or before their agreed target dates, and 13 were closed after their expected completion dates.
- 5.3 Full details of actions closed since the last Committee meeting, including closure dates and closure comments, are provided in Appendices 3 and 4.

6. ACTIONS WITH REVISED TARGET DATES

- 6.1 This section highlights internal audit actions where target dates have been revised. There are currently 7 open actions operating to revised target dates, of which 4 actions have had their target dates revised since the last Committee meeting.
- 6.2 The table below sets out the open actions that have had their target dates revised since the last Committee meeting, including the new due date and the reason for the change.

Details of all currently open actions, including historic target date revisions, are provided in Appendix 1.

Action Ref	Priority	Original Date	Revised Date	Action Summary	Update
Business Rates					
4287	Low	31 Dec 2025	30 Apr 2026	Update, standardise, and complete all Business Rates procedures, addressing any gaps and monitoring delivery centrally.	Due date revised at management's request due to operational challenges and late confirmation of the Central Government budget. 60% of work has been completed so far.
Council Tax					

3936	Low	31 Dec 2025	30 Apr 2026	Update, standardise, and complete all Council Tax procedures, addressing any gaps and monitoring delivery centrally.	Due date revised at management's request due to operational challenges and late confirmation of the Central Government budget. 60% of work has been completed so far.
Creditor Payments					
4171	Medium	31 Dec 2025	31 Jan 2026	Management will establish and maintain an approved scheme of delegation and financial approval register, with defined limits, periodic review, and confirmation by Heads of Service	Due date revised following the appointment of a new Head of Finance to allow time for review and implementation.
4180	Low	31 Dec 2026	31 Jan 2026	Management will investigate replacing legacy external user access with a dedicated system account and ensure all active accounts reflect current users.	Testing of user removal controls is ongoing.

7. KEY IMPACTS / RISKS

- 7.1 Each monthly meeting of CLT that reviews governance matters includes a report on completed audits and actions raised, providing another opportunity for CLT to maintain oversight.
- 7.2 Progress on the completion of audit actions remains under regular review. While the additional pressures arising from Local Government Reorganisation have created some capacity challenges, we remain confident in our ability to deliver the required actions within acceptable timeframes. Officers will continue to monitor workloads closely and, where any capacity issues do arise in relation to audit actions, will ensure the Committee is appraised.

8. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

8.1 Corporate Priority 3 – Doing our core work well.

9. RESOURCE IMPLICATIONS

9.1 There are no additional resource requirements arising from this paper.

10. REASONS FOR THE RECOMMENDED DECISIONS

10.1 This report advises the Committee of the proposed action that SLT will agree with Internal Audit which is operational. It is reported to the committee that for assurance and oversight.

LIST OF APPENDICES INCLUDED

Appendix 1 - Outstanding Internal Audit Actions

Appendix 2 - Outstanding Internal Audit Actions (Restricted)

Appendix 3 - Closed Internal Audit Actions

Appendix 4 - Closed Internal Audit Actions (Restricted)

BACKGROUND PAPERS

None

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Outstanding Internal Audit Actions



Generated Date	Jan-26
Action Criteria	
Project	Internal Audit

Business Rates					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
4287	Low	<p>Management will:</p> <ul style="list-style-type: none"> Update the procedure index in respect of Business Rates Complete the update and migration of all Business Rates procedures into the new standardised format and template Address any remaining gaps in procedures identified during the update process <p>Implement and follow a clear timeline to coordinate the completion of this work, using the central tracking spreadsheet to monitor progress</p>	31 Dec 2025	30 Apr 2026	<p>Description: Update: Good progress has been made to review all procedures and this task is approximately 60% complete. However, some additional demands on the team have delayed completion beyond the initial target date, and this is now anticipated to be completed by 30 April 2026 Update Date: 19/01/2026</p> <hr/> <p>Description: Due date moved as requested by Council Tax and Business Rates Manager with comments below: Excellent progress has been made by the revenues team to produce a full index of procedure notes for the department. Due to some unforeseen challenges within the section and a late budget from Central Government within the section we have been unable to meet the target date. Work is ongoing within the team to complete the indexes. Amended dates 30.04.2026 Update Date: 23 Dec 2025</p> <hr/> <p>Description: Work is progressing on the action, and on track to complete Update Date: 03 Dec 2025</p>

Capacity Planning					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
4831	High	<p>Consider the development of a proportionate, corporate approach for assessing capacity and resource availability across all service areas. This should support services to:</p> <ul style="list-style-type: none"> Set out their BAU activity, planned change work and expected future pressures Understand the time and effort involved in BAU tasks, including typical volumes and peaks <p>Record the resources they have available, such as people, time and skills</p> <ul style="list-style-type: none"> Compare workload with available capacity so they can identify gaps, pressures or risks of overcommitting. Provide clear capacity information to support decision making, rather than relying solely on professional judgement. <p>Capacity assessments should be reported and monitored through an agreed route so that risks are visible and the Council can see where support or prioritisation is needed.</p>	30 Sep 2026	30 Sep 2026	<p>Description: Following the recent completion of the Capacity Planning advisory review, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Update Date: 14 Jan 2026</p>
4832	Medium	<p>Create a single Service Planning Methodology that sets out the full process for preparing, reviewing and approving and monitoring of Service Plans. It should explain:</p> <ul style="list-style-type: none"> The steps in the process and who is responsible at each stage. What Service Plans must include, covering BAU activity, planned change, pressures, risks, dependencies and resourcing. The approval route and how decisions are recorded. The supporting guidance, templates and timelines. 	30 Jun 2026	30 Jun 2026	<p>Description: Following the recent completion of the Capacity Planning advisory review, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Further Information: Update Date: 14 Jan 2026</p>
4833	Medium	<p>Document the process for reviewing and challenging Service Plans, including how the Transformation Team undertakes the review, who is involved and what the purpose of the review is.</p> <p>The team should also develop internal guidance or a simple checklist to ensure that key checks are carried out consistently and that decisions and follow-up actions are recorded.</p>	30 Jun 2026	30 Jun 2026	<p>Description: Following the recent completion of the Capacity Planning advisory review, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Further Information: Update Date: 14 Jan 2026</p>

4835	Medium	Set clear standards for updating the Transformation Programme tracker so that monitoring of actions is consistent and reliable. This should include: <ul style="list-style-type: none"> • Clear definitions for RAG ratings • Minimum requirements for commentary, particularly where actions are delayed or at risk Periodic review to check that updates have been submitted as expected and that information is complete and accurate.	30 Jun 2026	30 Jun 2026	Description: Following the recent completion of the Capacity Planning advisory review, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Further Information: Update Date: 14 Jan 2026
4834	Low	Develop guidance or a checklist to support services in considering Local Government Reorganisation(LGR) as part of the 2027/28 Service Planning cycle. It should: <ul style="list-style-type: none"> • Highlight key areas for services to consider, such as statutory duties, future operating models, resource implications and dependencies. • Provide prompts to help managers assess these impacts in a consistent and proportionate way. • Include a straightforward way for services to record assumptions, risks and uncertainties 	31 Dec 2026	31 Dec 2026	Description: Following the recent completion of the Capacity Planning advisory review, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Further Information: Update Date: 14 Jan 2026

Capital Programme

Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3733	Medium	Management will introduce a review and sign off of the draft annual Capital Programme to reduce risk of reporting errors	31 Dec 2025	31 Dec 2025	<p>Description: The Capital Programme will be reviewed as it progresses through Head of Finance and CLT in January 2026, Cabinet (10/02/2026) and finally reviewed and signed off by Council on 25th February 2026 Further Information: Update Date: 29 Dec 2025</p> <hr/> <p>Description: The capital programme is still in draft version. However it is being reviewed and examined by the Head of Finance as part of the budget process Further Information: Update Date: 08 Dec 2025</p> <hr/> <p>Description: The capital programme spreadsheet is not complete yet. Sign off will be actioned once spreadsheet is complete, likely November/December Further Information: Update Date: 28 Oct 2025</p> <hr/> <p>Description: Additional sign off process, alongside the current review processes. Further Information: Finance will introduce a sign off process for the Capital Programme once it is complete, this will not require extensive set up procedures. The Capital Programme is not a stand alone report but forms part of the Budget and MTFS, and as such is already subject to the reviews of the Budget/MTFS that take place - management, budget managers, partners, Overview and Scrutiny, Cabinet, and Council. Update Date: 03 Sep 2025</p>
3734	Medium	We will review and formalise the capital programme governance framework by: <ul style="list-style-type: none"> • Updating The Financial Procedures (included within the Constitution) and Budget Process: A Guide for Budget Managers to reflect current practices, including the role of the Informal Cabinet in capital bid review. • Ensuring both documents are subject to formal approval and made readily accessible (e.g. via the Council intranet). • Developing comprehensive procedures that clearly outline the end-to-end capital programme process, including capital bid approvals, in-year amendments and monitoring procedures, record keeping and roles and responsibilities 	31 Dec 2025	31 Dec 2025	<p>Description: Sandra Beard will be updating the document as the new head of service Further Information: Update Date: 30 Dec 2025</p> <hr/> <p>Description: The existing document The Budget Process 2026/27 A Guide for Budget Managers, will be enhanced to include further detail on the capital programme process. The role of informal Cabinet in the bid approval process is already covered but will be reviewed to ensure that it is sufficiently detailed. Further Information: Update Date: 12 Nov 2025</p> <hr/> <p>Description: This action will be taken forward by the new Head of Service. Further Information: Update Date: 16 Sep 2025</p>

Complaints and Compliments Management					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
4288	Medium	<p>Management to review the current Gap Analysis and Project and Implementation Plan, ensuring the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> all passages from the Complaints Handling Code are analysed as part gap analysis, even where gaps are known to not exist; <input type="checkbox"/> all agreed actions are SMART with a clear owner and specific target implementation date; <input type="checkbox"/> a process is in place for monitoring action completion and assuring the relevant oversight group over progress. <p>The Gap Analysis and Project and Implementation Plan will undergo the Council's transformation and approval process to confirm its comprehensiveness, and the Council is able to deliver the necessary change. As part of the transition under the new Complaints Handling Code, management will review the current complaints process to identify efficiencies to enable the timelier processing of complaints.</p>	31 Oct 2025	31 Oct 2025	Description: All actions have been completed with the exception of a timescale for completion of actions within the action plan, which is work in progress. Further Information: Update Date: 07 Jan 2026
4289	Medium	<p>Management will ensure that both the external and internal staff feedback policies align in content, have appropriate version control and are subject to formal approval. As part of the gap analysis against Complaints Handling Code, consideration should be given as to whether one single policy should be made available to both customer and staff.</p>	31 Mar 2026	31 Mar 2026	Description: Action is on target to meet the deadline and more information will be provided as the action implementation progresses. Further Information: Update Date: 07 Jan 2026
4291	Medium	<p>Management will remind services of the requirement to send acknowledgments within five working days of a complaint being received and to retain and upload evidence this.</p> <p>Management will consider the value in implementing a process for monitoring the completion of SIAs. This might include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The lead responsible for agreeing the SIA applying a due date; <input type="checkbox"/> The lead responsible providing narrative/evidence that the action has been completed by the due date; and, <input type="checkbox"/> At the due date, the Complaints and Compliments Lead confirming and closing the SIA. 	31 Mar 2026	31 Mar 2026	Description: Action is on target to meet the deadline and more information will be provided as the action implementation progresses. Further Information: Update Date: 07 Jan 2026
4292	Medium	<p>The Communications and Engagement Lead to consider the best way to communicate compliments in collaboration with the Complaints and Compliments Lead. As part of this and to aid analysis of compliments, management will add a "compliment type" field to the Compliments Tracker, e.g., service excellence, staff courtesy, responsiveness, problem solving, community engagement, or innovation/improvement.</p>	31 Mar 2026	31 Mar 2026	Description: Action is on target to meet the deadline and more information will be provided as the action implementation progresses. Further Information: Update Date: 07 Jan 2026

Council Tax					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3936	Low	<p>Management will continue to:</p> <ul style="list-style-type: none"> • Complete the procedure index for Council Tax, ensuring all necessary procedures are included • Address any subsequent gaps in procedures identified • Update refund procedures to clearly document approval levels based on refund value • Implement a process to periodically review and update procedures 	31 Dec 2025	30 Apr 2026	<p>Description: Update: Good progress has been made to review all procedures and this task is approximately 60% complete. However, some additional demands on the team have delayed completion beyond the initial target date, and this is now anticipated to be completed by 30 April 2026 Update Date: 19/01/2026</p> <hr/> <p>Description: Due date moved as requested by Council Tax and Business Rates Manager with comments below: Excellent progress has been made by the revenues team to produce a full index of procedure notes for the department. Due to some unforeseen challenges within the section and a late budget from Central Government within the section we have been unable to meet the target date. Work is ongoing within the team to complete the indexes. Amended dates 30.04.2026 Further Information: Update Date: 23 Dec 2025</p> <hr/> <p>Description: Work is progressing on the action, and on track to complete Further Information: Update Date: 03 Dec 2025</p> <hr/> <p>Description: Work is progressing on the action, and on track to complete Further Information: Update Date: 04 Nov 2025</p> <hr/> <p>Description: This is a work in progress, work to complete in December Further Information: Update Date: 11 Sep 2025</p> <hr/> <p>Description: Not started Further Information: Update Date: 11 Sep 2025</p>

Creditor Payments					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
4170	Medium	<p>Management will undertake a review of creditor procedure notes, including supplier setup and amendment guidance, to ensure they are complete, accurate, and up to date. As part of this review, management will:</p> <ul style="list-style-type: none"> -Consolidate all guidance into a single, central location accessible to both accounts payable and non-accounts payable staff -Remove duplication and outdated versions and apply clear version control -Address gaps in coverage, including documenting payment run approval responsibilities, providing further guidance on credit notes for both accounts payable and non-accounts payable staff -Introduce a process for periodic review and update of the suite of procedure notes 	31 Dec 2025	31 Dec 2025	<p>Description: Work has started Further Information: Update Date: 29 Dec 2025</p> <hr/> <p>Description: Work has begun, we will need to push back until at least the end of January due to the volume and work constraints within the team. Services are made aware of all updates that relate to their responsibilities for setting up and amending supplier accounts by email. Attached are recent emails sent to all TechOne Purchase Ledger users after the recent audit. Further Information: Update Date: 29 Dec 2025</p> <hr/> <p>Description: Following the recent completion of the Creditor Payments audit (28/10/2025), the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses Further Information: Update Date: 30 Oct 2025</p>

4171	Medium	<p>Management will:</p> <ul style="list-style-type: none"> •Develop and maintain a formally documented scheme of delegation and financial approval register, setting out the authorised approval limits for each role. •Ensure the document is approved by senior management, reviewed periodically, and updated where changes occur, with all amendments documented and approved. •Share the approved register with Heads of Service so they can confirm staff limits are appropriate for their teams. 	31 Dec 2025	31 Jan 2026	<p>Description: The target date change was requested following the appointment of a new Head of Finance, to allow sufficient time for the action to be reviewed and implemented Further Information: Update Date: 17 Dec 2025</p> <hr/> <p>Description: Please extend this action to the end of January to give the new Head of Finance time to review this. Further Information: Update Date: 17 Dec 2025</p> <hr/> <p>Description: Information with Head of Finance for a decision Further Information: Update Date: 10 Dec 2025</p> <hr/> <p>Description: Pulling information together at present for new HoS that started in November Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Following the recent completion of the Creditor Payments audit (28/10/2025), the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses Further Information: Update Date: 30 Oct 2025</p>
4173	Medium	<p>The Head of Finance will introduce regular monitoring reports in TechOne comparing invoice date to PO approval date and review the results. Exceptions will be escalated to the Corporate Director (Finance and Resources), who will present them to CLT for review. CLT will be responsible for challenging services and reinforcing compliance with the No PO No Pay policy. In the meantime, communications will be issued to services advising staff that retrospective ordering is not permitted under the No PO No Pay policy and that this will be monitored and reported to CLT.</p>	31 Mar 2026	31 Mar 2026	<p>Description: I have inherited this action from my predecessor. I will discuss with the relevant staff members to understand the ask and take action to implement by the due date. Further Information: Update Date: 22 Dec 2025</p> <hr/> <p>Description: Following the recent completion of the Creditor Payments audit (28/10/2025), the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses Further Information: Update Date: 30 Oct 2025</p>
4180	Low	<p>Management will investigate the replacement of the inactive external user account with a dedicated system account, removing the dependency on a legacy login and ensuring that all active accounts accurately reflect current users.</p>	31 Dec 2025	31 Jan 2026	<p>Description: As per below request, actions has been moved on 31st January 2026 Further Information: Update Date: 05 Jan 2026</p> <hr/> <p>Description: Please extend to 31 January as testing has not finished. Further Information: Update Date: 30 Dec 2025</p> <hr/> <p>Description: Testing removal of user Further Information: Update Date: 17 Dec 2025</p> <hr/> <p>Description: Investigating how many processes will be affected by this change Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Following the recent completion of the Creditor Payments audit (28/10/2025), the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses Further Information: Update Date: 30 Oct 2025</p>

General Ledger					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
4630	Medium	<p>Management will undertake a formal review and update of its Financial Procedure Rules within the Constitution to ensure they remain current, fit for purpose, and aligned with relevant legislation and best practice.</p> <p>The council will implement a formal review cycle for its Financial Procedure Rules, ensuring they are reviewed at least every two years, or sooner if there are significant changes in legislation, financial systems, or governance arrangements.</p>	30 Jun 2026	30 Jun 2026	<p>Description: To be undertaken in the New Year so as to ensure completion by the due date. Further Information: Update Date: 22 Dec 2025</p>

4632	Medium	Management will develop and implement a formal journal processing policy that: <ul style="list-style-type: none"> • Defines segregation of duties and journal approval requirements. • Specifies permitted exceptions and their rationale. • Requires supporting documentation to be attached to all journals to ensure a complete and accessible audit trail is maintained. • Is approved by the Head of Finance and communicated to relevant staff. 	31 Mar 2026	31 Mar 2026	Description: I have inherited this from my predecessor. I will speak to the relevant staff members to understand the ask and ensure that it is implemented by the due date. Further Information: Update Date: 22 Dec 2025
4633	Medium	We will introduce review and sample checking of high value journals.	31 Mar 2026	31 Mar 2026	Description: I have implemented this from my predecessor. I will speak to the relevant staff members to understand the ask and ensure that it is implemented by the due date. Further Information: Update Date: 22 Dec 2025
4634	Medium	Management will review the current process and consider splitting the responsibilities for daily cash postings and bank reconciliations between different personnel to strengthen segregation of duties.	31 Mar 2026	31 Mar 2026	Description: I have inherited this from my predecessor. I will speak to the relevant staff members to understand the ask and ensure that it is implemented by the due date. Further Information: Update Date: 22 Dec 2025
4640	Medium	Management will explore the potential to implement a formal assurance process by obtaining periodic reports or automated notifications from TechOne confirming successful completion of daily backups.	31 Jan 2026	31 Jan 2026	Description: T1 have provided their standard documentation that should satisfy controls around the system. Further Information: Update Date: 02 Jan 2026 Description: Case 00777708 raised with TechOne Further Information: Update Date: 17 Dec 2025
4631	Low	Management will implement a formal document control process to ensure all procedures are updated to include version history, review dates, responsible individuals, and defined review frequency. Management will ensure procedures are subject to regular review.	31 Jan 2026	31 Jan 2026	Description: I have inherited this action from my predecessor. I will speak to the relevant staff members to understand the ask and ensure that it is completed by the due date. Further Information: Update Date: 22 Dec 2025
4636	Low	Management will: <ul style="list-style-type: none"> - Implement a formal review process for payroll reconciliations. - Include payroll reconciliation as a mandatory item in the Finance month-end checklist. - Record the date of completion and review on all reconciliations to evidence timeliness. 	31 Jan 2026	31 Jan 2026	1. The team is currently testing the methodology, we are on track for timely implementation. 2. Will be included from following month-end. On track. 3. This is done automatically by T1 (our financial system) Update Date: 15 Jan 2026
4639	Low	Management will include dedicated fields within the annual user access review log to record: <ul style="list-style-type: none"> - Any access changes requested as a result of the review; - Confirmation that these changes were actioned; and - The date on which the changes were implemented. 	31 Jan 2026	31 Jan 2026	Description: Review log has been updated with relevant columns. User Review has started and is subject to Manager's making their returns by 7 January 2026 Further Information: Update Date: 16 Dec 2025
4641	Low	Management will implement a formalised approval process for the creation and amendment of GL codes. This process will include: <ul style="list-style-type: none"> - Defined roles and responsibilities for initiating, reviewing, and authorising changes. - Documented approval records retained for audit purposes. - Integration of the approval step into existing financial controls, such as the month-end checklist. 	31 Mar 2026	31 Mar 2026	Description: I have inherited this from my predecessor. I will speak to the relevant staff members to understand the ask and ensure the it is implemented by the due date. Further Information: Update Date: 22 Dec 2025

Housing Benefits					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3929	Low	<p>We will continue to:</p> <ul style="list-style-type: none"> • Complete the update and migration of all Housing Benefit procedures into the new standardised format and template • Address any remaining gaps in procedures identified during the update process • Implement and follow a clear timeline to coordinate the completion of this work, using the central tracking spreadsheet to monitor progress 	31 Mar 2026	31 Mar 2026	<p>Description: Update: good progress is being made against the action, but the volume of very technical procedures requiring review has meant that this is taking longer than originally anticipated. The task is approximately 50% complete, and with limited capacity in Q4 due to annual updating required, the new target date for completion has been moved to end of Q1 2026. Update Date: 19/01/2026</p> <hr/> <p>Description: work is continuing and in progress Further Information: Update Date: 16 Dec 2025</p> <hr/> <p>Description: Work is ongoing and in progress as planned Further Information: Update Date: 30 Oct 2025</p> <hr/> <p>Description: Following the recent completion of the audit, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses Further Information: Update Date: 12 Sep 2025</p>
3931	Low	Once parameters are input, both managers will sign the parameter record, and a scanned copy of the signature sheet will be held as evidence of this two-stage verification process	31 Mar 2026	31 Mar 2026	<p>Description: This action can only be carried out as part of the annual billing processes in March 2026. However, annual billing procedures have already been updated in advance to include this action. No further updates to this audit action will be applied until the action has been completed in March 2026. This has been agreed with Internal Auditor & Monitoring Officer. Further Information: Update Date: 07 Nov 2025</p> <hr/> <p>Description: Following the recent completion of the audit, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses Further Information: Update Date: 12 Sep 2025</p>
Payroll					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3974	Medium	The Council will finalise and approve the Claiming Additional Hours and Overtime guidance, incorporating clear procedures for claim submission, authorisation, thresholds, and TOIL agreements, and ensure it is effectively communicated to all staff.	31 Mar 2026	31 Mar 2026	<p>Description: This is being drafted for inclusion with the Expenses policy with a view to being approved at February Employment Committee Further Information: Update Date: 02 Dec 2025</p> <hr/> <p>Description: Update provide by Head of HR & OD - 'policy is being drafted to be endorsed at February employment committee' Further Information: Update Date: 06 Nov 2025</p>

Transformation					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3756	High	The PMO will create a standardised project management toolkit, which will include including templates and guidance for consistent project management. This could be supported by training for Project Managers to ensure consistent application and continuous improvement of project management practices.	31 Mar 2026	31 Mar 2026	<p>Description: BC creation using new templates ongoing. Minor updates to templates under way. Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Templates available for use, and being implemented for Business Case and PID creation, Project categorisation approved at transformation Board and training being arranged for team to create a consistent baseline knowledge. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: The toolkit has started to be developed. The templates have been completed in draft ready for reflection with teams. The project category criteria shall be presented to Transformation board in September. And the framework is being reviewed and will be presented in October for approval. Further Information: Update Date: 10 Sep 2025</p> <hr/> <p>Description: Staff now recruited in the team to support delivery Further Information: A Programme Manager has now been recruited in the team and started early Aug. The planning around the audit actions will commence from Sept 25. Update Date: 22 Aug 2025</p>
3757	Medium	Management will explore ways in which a project management system can be utilised to aid in the planning, tracking, and monitoring of all projects, which will aid in the standardization of project management within the Council. Options analysis should take place to understand potential benefits and risks.	31 Mar 2026	31 Mar 2026	<p>Description: PM Tool review ongoing. Standardized reporting dashboards in place for Major projects. Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Reviewing requirements on the back of ICT Audit report. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: ICT are looking at Microsoft Accelerator solution, and HDC PMO will consider this as an option along with Smartsheets used by SCDC and CCity. We will be starting these conversations and development of requirements and solution comparisons end of September. Further Information: Update Date: 10 Sep 2025</p>
3760	Medium	The PMO will ensure that financial assessments are completed and signed-off by the Finance Business Partner prior to project initiation.	31 Mar 2026	31 Mar 2026	<p>Description: As per previous update, will be included in BC as they are created. Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Business cases (subject of other action) will contain clear financial impact, review and sign/Off from Finance Business partner. This is ongoing and on track as per other action. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: This aligns to other audit actions in relation to completion of business cases and PIDS for active projects, and completion of business cases for capital projects and new initiatives. The templates will now include collaboration with Corporate Services, including financial services, and copies will be shared with Finance for comment before approval is sought. Further Information: Update Date: 10 Sep 2025</p>

3761	Medium	The PMO should ensure that a risk register is developed, maintained, and regularly reviewed for each project. The register should capture identified risks, their potential impact and likelihood, assigned risk owners, risk scores and mitigation or response plans.	31 Mar 2026	31 Mar 2026	<p>Description: Proposed PMO Risk register alignment to Corporate risk approach being reviewed and confirmed. Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Standardized risk register is drafted, and will be promoted for use with revised SharePoint site. risk is also looking to be standardised and reported at Transformation Board on Programs and Major projects. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: This has started with individual projects, and registers will be reviewed collectively once a central project solution is embedded. We have started the conversation regarding possible solutions for a central system. Further Information: Update Date: 10 Sep 2025</p>
3762	Medium	The PMO will ensure that regular progress reports are completed by all Project Managers.	31 Mar 2026	31 Mar 2026	<p>Description: Monthly Dashboard reporting in place for Major projects. Evolving to Programs and Project level. Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Process in place to report on Major Projects and programs. PMO team alignment to Major Projects and Programs in place, with 1-2-1 relationships. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: This has started. The PMO is now fully recruited, and the team are building relationships with teams across the Council. The initial request is for light progress updates being requested from Sept, with further development of full progress reports being expected once the project initiation document has been completed. Further Information: Update Date: 10 Sep 2025</p>
3764	Medium	The PMO will ensure that all Project Managers have completed a Benefits Realisation Plan, including benefit owners, measurable outcomes, and timelines for realisation.	31 Mar 2026	31 Mar 2026	<p>Description: as per previous update, now included in proposed PMO process flow and BCs Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Benefits are clearly articulated within the Business case and updated project flow now contains a benefits realisation phase to monitor and review benefits against Business Case when implementation completed. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: The templates for initiation phase have been updated and the PMO team are starting to use them, including the benefit realisation. this is currently on an individual basis and will be collectively managed once a new project solution has been implemented. Further Information: Update Date: 10 Sep 2025</p>

3766	Medium	The PMO will consider ways in which a live dashboard can be implemented to provide real-time visibility into all projects within the Transformation Programme to ensure continuous monitoring and accountability.	31 Mar 2026	31 Mar 2026	<p>Description: Dashboards evolving to be available to Heads of Service in the new year - Current Major Projects summary and Program Level available. Will evolve to Single Major project level in Jan. Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Transformation Board Dashboards continue to evolve to report at a Program and major Project level. These will then also be used to allow instant update on a single project or program if required. New Service plan will enable risk and benefit reporting within the dashboards once available. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: The collation of progress updates for the Transformation Plan projects are now managed in MS Power Lists, and dashboards in MS Power BI have been created for Sept Transformation Brd. Further Information: Update Date: 10 Sep 2025</p>
3759	Low	The PMO should ensure that a project initiation document is completed prior to project initiation. The document should include planned aspects of the project, such as the scope, benefits, agreed milestones and tolerances, budget, risks and governance structures.	31 Mar 2026	31 Mar 2026	<p>Description: Once BC are in place, PID will be evaluated. On track for target date. Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: Ongoing Audit of BC and PID, focus is to provide BC initially to ensure consistent information available for PID creation based upon clear business case. PIDs will be in place for all Major Projects as a minimum. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: The priority is to first address the controls and relevant documentation for active projects, then to promote the new PMO framework across the council, providing direct support for services and regular 'in the loop' sessions. This will help with the promotion of the support provided, and clear communication regarding expectations and process. Further Information: Update Date: 10 Sep 2025</p>
3763	Low	The PMO will ensure that each project has an identified Finance Business Partner and that areas of future financial implications and costs, such as efficiency savings are identified prior as part of the project planning process prior to project initiation.	31 Mar 2026	31 Mar 2026	<p>Description: As per previous update, being included as part of BC creation and financial sign off. Further Information: Update Date: 01 Dec 2025</p> <hr/> <p>Description: This will be captured as part of the Business case Action and is progressing on plan. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: This aligns to other audit actions in relation to completion of business cases and PIDS for active projects, and completion of business cases for capital projects and new initiatives. The templates will now include collaboration with Corporate Services, including financial services, and copies will be shared with Finance for comment before approval is sought. Further Information: Update Date: 10 Sep 2025</p>

Workforce Development Strategy					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
4836	Low	At the conclusion of the Leadership Development Programme in March 2026, management will prepare a closure report to summarise, attendance and compliance against all modules, key outcomes and action plan to move into BAU	31 Mar 2026	31 Mar 2026	Description: Following the recent completion of Workforce Development Strategy audit, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Further Information: Update Date: 14 Jan 2026

Code of Procurement Audit 24.25

Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3371	Medium	<p>The Code of Procurement reform changes need to be expedited on the back of this audit and the Procurement Act 2023 updates due to happen in early 2025 to ensure effective and efficient procurement thresholds.</p> <p>The Procurement Lead with the support of the Monitoring Officer to document, review and update (as applicable) a full suite of Procurement documentation to include the Code of Procurement, the Procurement Aide Memoire and supporting procedure notes.</p> <p>Internal Audit recommends that this documentation is reviewed (and is subject to appropriate approval) once every 3 years, or when regulations change (if they change before 3 years).</p> <p>The procurement documentation will be updated by the Procurement Lead/team after discussions with the Monitoring officer and will be reviewed and approved by Director of Finance and Corporate Services. (Amber-Medium).</p>	28 Apr 2025	31 Dec 2025	<p>Description: As per below comments, due date has been moved with agreement from Interim S151 Officer - see email attachment for audit trail. Further Information: Update Date: 12 Jan 2026</p> <hr/> <p>Description: Following my appointment as Procurement Manager (01/12/25) I am reviewing the current Code of Procurement and will be sending a revised version to 3Cs Legal by 16/01/25) for review and comments. Further Information: Update Date: 05 Jan 2026</p> <hr/> <p>Description: As discussed at the Corporate Governance Committee at their meeting in September 2025, the Head of Democratic Services has appointed a new Procurement Manager, who will be joining the organisation on 1 December 2025. The new Procurement Manager will be tasked with taking this work forward in consultation with relevant stakeholders and the Monitoring Officer . A refreshed Code of Procurement will be taken through the appropriate governance touch points in due course. Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: This date has been revised to reflect the necessary governance touchpoints of the Constitution Working Group, Corporate Governance Committee, and Full Council Approval. The Monitoring Officer also intends to engage the incoming Procurement Manager in the drafted of this chapter. Further Information: Update Date: 11 Sep 2025</p> <hr/> <p>Description: The Code of procurement hs been revised and updated to reflect the change in the Procurement Act 2023. This will need to be approved by members and incorporated in the Constitution. Further Information: Updated and on target Update Date: 03 Sep 2025</p>

Committee Governance Structure 24.25

Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3716	Medium	The Constitution Review Working Group will evaluate the current scheme of delegation to identify gaps, ambiguities and areas where further detail is needed. This should include an assessment of roles, responsibilities, and authority at each level of the Council. Key stakeholders may need to be engaged throughout the process. Specific delegated authorities should be clearly defined within a clear, structured document. The authority, responsibilities and limits of decision making for each individual, committee or department should be clearly outlined. The delegation should include levels of financial authority, operational decisions and strategic responsibilities as appropriate.	31 Mar 2026	31 Mar 2026	<p>Description: Comments provided by Head of Democratic Services & Monitoring Officer - Officers have engaged the Association of Democratic Services Officers (ADSO) to provide technical support on updating the Constitution. Officers and ADSO are currently working through the existing Scheme of Delegation with key stakeholders, and it will be taken through the Constitution Working Group, CGC and Full Council as soon as possible. This is a complex piece of work which will require the new draft to align to other areas of the Constitution as well as the existing organisational structure. The Monitoring Officer will keep the Committee updated on progress towards the target date. Further Information: Update Date: 09 Jan 2026</p> <hr/> <p>Description: The Constitution Review Working Group continues to work with the Association of Democratic Service Officers who are currently undertaking a review of this chapter of the Constitution. Further engagement is planned with key stakeholders. This will be presented to the Working Group in due course. Current draft has been provided by ADSO for further review internally with SLT and HoS Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: The Constitution Review Working Group is working with the Association of Democratic Service Officers who are currently undertaking a review of this chapter of the Constitution. Further engagement is planned with key stakeholders. Further Information: Update Date: 04 Sep 2025</p>

Home and Hybrid Working 24.25

Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3519	Medium	The Council will review the Flexible Working Policy and guidance following the introduction of the Hybrid Working Policy to ensure consistency.	31 Mar 2026	31 Mar 2026	<p>Description: Policy review is being undertaken Further Information: Update Date: 23 Dec 2025</p> <hr/> <p>Description: Policy updates are still being worked on Further Information: Update Date: 02 Dec 2025</p> <hr/> <p>Description: Policy updates are being worked on Further Information: Update Date: 04 Nov 2025</p> <hr/> <p>Description: This will be started following the approval of the hybrid working policy Further Information: Update Date: 11 Sep 2025</p>

3520	Medium	The Council consider an appropriate monitoring KPI to be reported to Employment Committee as part of the current reporting suite of documents.	31 Mar 2026	31 Mar 2026	Description: As per last months update, work has not yet started on this as other actions related to this are taking priority Further Information: Update Date: 02 Dec 2025
					Description: Work not started on this as other actions in relation to this take priority Further Information: Update Date: 04 Nov 2025
					Description: This will be agreed following approval of the Hybrid Working Policy at Employment Committee Further Information: Update Date: 11 Sep 2025
					Description: Action due date not agreed as depending on action 3517 Further Information: Action due date not agreed as depending on implementation of action 3517. Selected currently to match the due date of action 3517 as 31/03/2026 however this is likely going to be changed at later stage Update Date: 07 May 2025
3692	Medium	Management will introduce a consistent organisational approach to planning and achieving optimum productivity levels. Guidance in this area will be provided to line managers and departmental heads to ensure that there is consistency and that optimal levels of employee performance are maintained. This approach could include a productivity plan per department that sets out the controls for monitoring productivity. This should define HDC's expectations for regular 121s. (Note - HR has confirmed that the need for performance management framework and regular 121's has been identified as part of the Workforce Strategy, and work is already underway to implement them.)	31 Mar 2026	31 Mar 2026	Description: Ongoing work on this. 121s now rolled out across HDC and Service Plans are in place for all service areas to capture key items of work and relevant measures of productivity. We are now in Q4 where service areas will implement the policies and the project team are offering support. Further Information: Update Date: 12 Jan 2026
					Description: Ongoing work on this. 121s now rolled out across HDC and Service Plans are in place for all service areas to capture key items of work and relevant measures of productivity. Services are also working up Team Charters that will identify how teams work within the aims of the Policy, to be rolled out in Q4 as part of the the implementation of the Policy Further Information: Update Date: 05 Nov 2025
					Description: Monitoring Framework for 121 completion implemented Further Information: Consistency of 121s assured through 'My Conversation' training as part of the Management Development Programme in Q2. The 2025 staff survey will include question for all staff regarding 121 completion - outcome will be compared to last year to measure progress. Performance Appraisal forms include requirement to confirm 121s undertaken. Update Date: 04 Sep 2025
					Description: Scoping Underway, draft scheduled for officer review in October, implementation in Q4 so metrics and indicators are formally tracked and reported quarterly as management information from 1st April 2026. Further Information: Approaches for a productivity plan framework by department is underway with a draft framework to be proposed at the end of September. Guidance on 121s including format and frequency has been rolled out to managers through the manager's forum a standard template is now in use and linked directly to the performance management (pay and reward) of officers. Update Date: 04 Sep 2025
					Description: Audit completed, fed back to CLT and HOS, Action Plan in Place Further Information: The Audit on Home and Hybrid working has been concluded with the findings presented for Heads of service to consider in the way they manage their teams. The draft action plan is attached with key actions set for monitoring the completion of 121s and also the requirement for service level productivity planning to be proposed and in place by March 2026. the timing is linked to the formal adoption of a Home Working Policy across the Council Update Date: 29 Aug 2025

Key Financial Controls 24.25

Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3381	High	The finance team should engage with Tech 1 to agree on a clear resolution plan, including a timeline for when and how the issue will be resolved. If Tech 1 fails to offer a satisfactory outcome within the agreed timeframe, senior management involvement may be necessary to escalate the matter and ensure a prompt resolution.	31 Mar 2025	31 Jan 2026	<p>Description: Charge transactions coded to the debtor control account being reviewed and the configuration of the system investigated to stop these errors occurring going forward Further Information: Update Date: 02 Jan 2026</p> <hr/> <p>Description: Nicky Daish spoke to Lyndsay REDACTED (Senior BA at T1) at the T1 User Group meeting in Birmingham on 3 Dec. Some assurance was provided that the rec issues could be investigated. Following a telephone call with Lyndsay on 5 Dec, T1 have sent some charge transaction through for review. Further Information: Update Date: 10 Dec 2025</p> <hr/> <p>Description: As per below comments, due date has been moved to January 2026 with agreement from Interim S151 Officer Further Information: Update Date: 11 Nov 2025</p> <hr/> <p>Description: T1 support have run process that proved transactions have posted correctly and no transactions are missing which may have been part of the issue. They closed the case in September and advised that we would have to use AMS to check the configuration of the system. I have contacted Emma REDACTED at T1 as she has advised that the upgrade to the next version of T1 in November 2025 may help the reconciliation process. Bearing this in mind, can the target date be amended to 31 January 2026. Further Information: Update Date: 28 Oct 2025</p> <hr/> <p>Description: TechOne is continuing to work on resolving the differences and identifying the root cause. At Management's request, the action due date has been extended to 31/10/2025. Further Information: Revised timeline agreed by RSM and sighted by the Head of Audit. Update Date: 05 Sep 2025</p>

Overtime 21.22

Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
1625	Medium	The published policy for Expenses and Allowances (including Overtime) will be reviewed and updated to ensure that it is fit for purpose, and accessible to staff and managers. This will support working arrangements prior to a longer term, fundamental review of our policy.	31 Mar 2025	28 Feb 2026	<p>Description: Policy is currently in progress with the aim of it to go to February Employment Committee Further Information: Update Date: 02 Dec 2025</p> <hr/> <p>Description: Policy being drafted Further Information: Update Date: 04 Nov 2025</p> <hr/> <p>Description: This action has been delayed due to work that has been carried out aligning contracts for all permanent members of staff Further Information: As per request from Head of HR, action has been moved to 28/02/2026 Update Date: 08 Sep 2025</p> <hr/> <p>Description: To be considered by Employment Committee on 15 July 2025 Further Information: Update Date: 01 Jul 2025</p> <hr/> <p>Description: As per CGC 29.01.2025 Further Information: There has been a changeover of Strategic HR Manager since the revised date was agreed who has been reviewing some wider policy aspects taking account of external factors relating to pay across the local government sector. As a result, this action will be carried out in April / May 2025 and revised policy will be taken to the first Employment Committee of the new civic year for approval and then communicated to managers. This fits with the overall Heads of Service structure that the Chief Executive has conducted and the training / development approach that is being implemented to support the Heads of Service. Revised target date proposed to be 31 June 2025 Update Date: 12 Mar 2025</p>

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Closed Internal Audit Actions



Generated Date	Jan-26
Action Criteria	
Project	Internal Audit
Closed	Since Last Committee Meeting

Business Rates						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
4293	Medium	We will formalise and evidence the process of sample checking of Business Rates refunds	30 Oct 2025	30 Oct 2025	03 Dec 2025	Closure Details: Closed: This action has been fully completed Further Information:
4290	Low	Management will ensure the bill suppression report is generated and reviewed each month.	30 Oct 2025	30 Oct 2025	18 Nov 2025	Closure Details: Closed: This action is completed. Staff have calendar entries to remind of need to check suppression reports and review. Further Information:
4295	Low	Management will enhance the annual billing timetable by including a field to record the actual date each task is completed, to improve traceability and auditability. Additionally, all 'TBC' timeframes should be reviewed and updated with confirmed dates to ensure effective planning and oversight of key billing activities.	19 Nov 2025	19 Nov 2025	18 Nov 2025	Closure Details: Closed: Reported as implemented on final report Further Information:

Capital Programme						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
3735	Medium	Management will establish a centralised repository for pre-project outline business cases and their respective approvals	01 Dec 2025	01 Dec 2025	09 Dec 2025	Closure Details: Closed: The PMO have now completed the collation of business cases or PIDs for all current major projects including capital funded projects. The documents are stored in a central repository. This audit action is now complete (attached list of cases as evidence.) There is now a clear process in place for ensuring a business cases or PID is completed for all new capital funded projects. The current budget approval for 2026/27 is due to be finalised in Feb 2026, and the PMO already have the draft list of new projects subject to approval, and have been working with services regarding these. Further Information:

Complaints and Compliments Management						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
4294	Low	Themes covering the type of compliments received will be included in future annual reports to the CGC	18 Nov 2025	18 Nov 2025	18 Nov 2025	Closure Details: Closed: Action marked as Complete as per finalised audit report dated 27 October 2025 Further Information:

Contract Management						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
3752	Medium	Procurement will ensure the accuracy of the contract register.	31 Mar 2026	31 Mar 2026	09 Jan 2026	Closure Details: Closed: A process is now in place to ensure that the contract register details in ERP are input accurately and when details require amending/updating, these can be monitored by the Procurement Team. Further Information:

Creditor Payments						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
4172	Medium	Management will develop and document a list of valid exceptions where retrospective ordering is acceptable and ensure AP staff understand and apply it consistently so that invoices are processed correctly and urgent but valid cases are paid on time. In addition, management will document payment types which do not require a purchase order and the corresponding approval process.	31 Dec 2025	31 Dec 2025	29 Dec 2025	Closure Details: Closed: AP have given details of the current exceptions, and requested that Procurement pick up the issue of retrospective orders with services as this is not within the current remit or control of Accounts Payable Further Information:
4174	Medium	Management will: •Save instruction emails from the Revenues & Benefits Recovery Team Leader authorising Council Tax and NNDR payments in a shared network folder or directly into TechOne to ensure there is a clear and accessible audit trail. •Enhance the process for Payment Request Forms to obtain independent evidence of approval. Either the approver will be copied into the submission email to AP team, or a separate approval email will be obtained and saved in a shared network folder or directly into TechOne.	31 Dec 2025	31 Dec 2025	05 Jan 2026	Closure Details: Closed: Both items have been fully implemented Further Information:
4175	Medium	Management will ensure that payment run authorisations are signed and dated at the point of approval, with the signed BACS Transmission Document and supporting reports consistently retained in the designated folder.	30 Nov 2025	30 Nov 2025	29 Nov 2025	Closure Details: Closed: A checklist has been created to ensure that all reports are added and signed off by the person processing the pay run. Further Information:
4176	Medium	We will strengthen the credit notes process by communicating to services the requirement to include the original invoice reference on credit notes and ensuring AP staff consistently record invoice references within TechOne, so that each credit can be traced back to the related payment.	31 Dec 2025	31 Dec 2025	08 Dec 2025	Closure Details: Closed: Confirmed with Nicky Daish that the agreed actions are in place. Further Information:
4177	Medium	We will work with system administrators to explore options for making authorisation details visible in TechOne. If this is not possible, a process will be introduced to ensure authorisation evidence is approved via email and uploaded to TechOne.	31 Dec 2025	31 Dec 2025	30 Dec 2025	Closure Details: Closed: Updated to reflect where approval information can be found. Further Information: Closure Details: Closed: Emails will be attached to TechOne. Further Information:
4181	Medium	As part of the wider review of procedure notes, as well as including expectations for the approver's review and sign-off, management will also set out the required documentation to be retained for each payment run. The Accounts Payable team will ensure the agreed documents are consistently saved in the designated folder to provide a complete audit trail.	31 Dec 2025	31 Dec 2025	29 Dec 2025	Closure Details: Closed: See attachment on previous update Further Information:

General Ledger						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
4635	Medium	We will expedite resolution of the system issue with TechOne and document interim controls to ensure completeness of debtor balances.	31 Jan 2026	31 Jan 2026	02 Jan 2026	Closure Details: Closed: This is a duplication of Action 3381 Further Information:
4637	Low	Management will ensure the checklist is subject to review by the Head of Finance or a delegated senior finance officer in their absence.	16 Dec 2025	16 Dec 2025	16 Dec 2025	Closure Details: Closed: Marked as implemented in the Final Report Further Information:
4638	Low	Management will review timeframes for completing month-end tasks based upon the associated risk of each item.	16 Dec 2025	16 Dec 2025	16 Dec 2025	Closure Details: Closed: Marked as Implemented in Final Report Further Information:

Payroll						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
3977	Medium	The Council will assess the feasibility of completing payroll reconciliations on a monthly basis and implement a formal process for independent review and sign-off to ensure appropriate segregation of duties.	31 Dec 2025	31 Dec 2025	06 Jan 2026	Closure Details: Closed: A reconciliation process and its approval has now been actioned and agreed Further Information:

Procurement						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
3738	Medium	We will update the draft Code of Procurement in line with the new Procurement Act 2023 and all procedures and forms affected by it.	31 Oct 2025	31 Dec 2025	12 Jan 2026	Closure Details: Closed: This action has been closed as it is a duplication of action 3371 (which includes greater detail and required actions) Further Information:
3745	Medium	We will ensure the contracts register includes all payments over £10,000 as required by guidance.	31 Oct 2025	31 Oct 2025	09 Jan 2026	Closure Details: Closed: The report from ERP clearly identifies all £10k plus orders that are generated and linked to contracts in the contracts register. Should a contract not be linked, this will be expedited by the Procurement Team to ensure compliance. Further Information:
3742	Low	We will update all new guidance documents that are adopted, and they will be reviewed by the Procurement Board.	31 Oct 2025	31 Oct 2025	09 Jan 2026	Closure Details: Closed: All existing procurement guidance documents are listed in a spreadsheet that details the Title, Review date/version and when the document is next due for review. Further Information:

Recruitment and Retention						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
3709	Medium	We will consider ways in which they can improve the completion rate of the Leaver Questionnaire.	31 Dec 2025	31 Dec 2025	07 Jan 2026	Closure Details: Closed: Process reviewed to refresh questions asked and to offer exit interviews to all staff Further Information:

Transformation						
Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
3758	Medium	The PMO will ensure that a business case is completed and formally approved prior to the initiation of a project where significant investment is required. The business case should clearly articulate the project's strategic alignment, objectives, expected benefits, costs, risks, and resource requirements.	31 Dec 2025	31 Dec 2025	29 Dec 2025	Closure Details: Closed: Business cases for all major Project are available. Attached is the status, and example BCs. Strategies or Projects waiting on Board decisions will be created as decision to proceed received from Board, or strategy is confirmed into a tangible output. Further Information:

3765	Medium	The Transformation Team will consider ways in which a top-down planning approach can be incorporated into the Transformation Plan. This could include the development of a corporate-level project prioritisation and approval process to ensure that all projects are strategically aligned and governed consistently.	31 Dec 2025	31 Dec 2025	05 Jan 2026	Closure Details: Closed: The action was to consider ways in applying a top-down project approach and prioritisation regarding Transformation. This approach of prioritisation has now been developed and launched, and is in process of being fully implemented. The Transformation Data Analysis Tool (TDAT) has been developed to identify priority services for Transformation. This contains a ranking position per a service team. The ranking is based on current data sets including budget, staffing levels, vacancy and temporary staff, and benchmarking. The TDAT was shared with service managers back in Oct 25 for reflection as a steer as part of the mid-year review of service plans. The next step is once the service plan information has been fully collated as first draft from Service Managers, this will be analysed against the TDAT to identify priority are as and the findings reported to Strategic Boards and Leadership for top-down decision and prioritisation. Further Information:
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Code of Procurement Audit 24.25

Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
3375	High	Periodically, the Procurement Lead shall review a sample of higher value / strategic contracts previously awarded to understand how they are being managed post award, to include performance monitoring, compliance verification and issue resolution. (High-Red).	31 May 2025	31 Dec 2025	09 Jan 2026	Closure Details: Closed: Going forward, every quarter a selection of contracts will be chosen for review that are strategic/high value. Further Information: Closure Details: Closed: Implemented Further Information: Process in place and implemented

Home and Hybrid Working 24.25

Reference	Priority Level	Action Detail	Original Target	Revised Target	Closed	Closure Update
3511	High	HDC will develop a formal Hybrid Working Policy and framework that sets out corporate expectations for teams and departments across the organisation. The policy framework should recognise there is 'no one size fits all' and allow for a degree of flexibility, in line with organisation risk appetite. The policy should provide guidance on roles and responsibilities for human resources, line managers and departmental heads.	31 Mar 2026	31 Mar 2026	02 Dec 2025	Closure Details: Closed: Policy is complete, approved and communicated to managers and staff Further Information:
3512	High	Once the corporate framework is defined, HR will issue clear, Council-wide communications outlining hybrid working expectations, office attendance policies, and department and team's variations. HR will also ensure that staff receive regular updates about any changes or clarifications regarding hybrid working and attendance.	31 Mar 2026	31 Mar 2026	23 Dec 2025	Closure Details: Closed: This has been completed and hybrid working will be launching on 01 January 2026 Further Information:

3514

Medium

4/1 Management will conduct a review of IT equipment in the office locations so that all necessary technology is available and in proper working condition.

31 Dec 2025

31 Dec 2025

01 Dec 2025

Closure Details: Closed: All available desks in PFH & EFH are now populated with IT Equipment and ready for use Further Information:

Closure Details: Closed: Confirmation that all available desks in Pathfinder & Eastfield House are now fully populated with equipment and ready to use. Caretakers are holding stock on both sites of keyboards, mice and cables. Sweeps will be carried out every evening in Pathfinder House with all desks being checked and replenished if necessary. Sweeps in EFH will be carried out by a caretakers every Mon, Weds & Fri with an additional sweep being carried out by 3CICT on Tuesdays. Further Information:

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Huntingdonshire District Council for 2024/25

Draft Auditor's Annual Report
Year ended 31 March 2025
18 November 2025



The better the question. The better the answer. The better the world works.



Shape the future
with confidence



Corporate Governance Committee
Huntingdonshire District Council
Pathfinder House
St Mary's Street
Huntingdon
PE286 TN

18 November 2025

Dear Corporate Governance Committee Members

2024/25 Draft Auditor's Annual Report

We are pleased to attach our draft Draft Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Huntingdonshire District Council. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25. This report has been issued as draft and will be finalised as part of issuing the 2024/25 audit report.

This report is intended to draw to the attention of Huntingdonshire District Council's Corporate Governance Committee any relevant issues arising from our work up to the date of issuing the report. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Corporate Governance Committee meeting on 26 November 2025.

The [2025 Transparency Report](#) for EY UK provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 30 June 2025.

Yours faithfully

Claire Mellons

Partner, For and on behalf of Ernst & Young LLP

Enc

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03 Value for Money Commentary

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Corporate Governance Committee of Huntingdonshire District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Corporate Governance Committee and management of Huntingdonshire District Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Corporate Governance Committee and management of Huntingdonshire District Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

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Executive Summary

Purpose

The Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to Huntingdonshire District Council and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

Auditors must issue their draft annual report to those charged with governance by 30 November each year, reflecting the audit position and value for money assessment at that time, even if the 2024/25 audit is ongoing.

Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we issued on 18 June 2025. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- whether the financial statements give a true and fair view of the financial position of the Council and its expenditure and income for the year; and
- have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Huntingdonshire District Council;
- the use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- if we identify a significant weakness in the Huntingdonshire District Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Council

The Council is responsible for the preparation of the financial statements, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (cont'd)

2024/25 conclusions

<p>Financial statements</p>	<p>As reported in our Audit Results Report issued in September 2025, we issued a disclaimer of opinion on Huntingdonshire District Council's 2022/23 and 2023/24 financial statements under the arrangements to reset and recover local government audit.</p> <p>In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2024/25 financial statements are free from material and pervasive misstatement of the financial statements.</p> <p>We therefore anticipate issuing a disclaimed audit opinion for 2024/25.</p>
<p>Going concern</p>	<p>Audit work on the going concern is currently underway. At this stage, we have not identified any issues that indicate that the Corporate Director of Finance & Resources' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate.</p>
<p>Consistency of the other information published with the financial statements</p>	<p>Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.</p>
<p>Value for money (VFM)</p>	<p>We have identified a significant weakness in the VFM arrangements for governance. We have included our VFM commentary in Section 03.</p>
<p>Consistency of the annual governance statement</p>	<p>We were satisfied that the annual governance statement was consistent with our understanding of the Council.</p>

Executive Summary (cont'd)

2024/25 conclusions (cont'd)

Additional powers and duties	We had no reason to use our auditor powers.
Whole of Government Accounts	We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet confirmed the final reporting position and whether any questions will be raised on individual returns. We cannot issue our Audit Certificate until these procedures are complete.
Certificate	<p>We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Huntingdonshire District Council.</p> <p>Until we have completed these procedures, we are unable to certify that we have completed the audit of the financial statements in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.</p>

Executive Summary (cont'd)

Value for money scope

Under the 2024 Code, we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

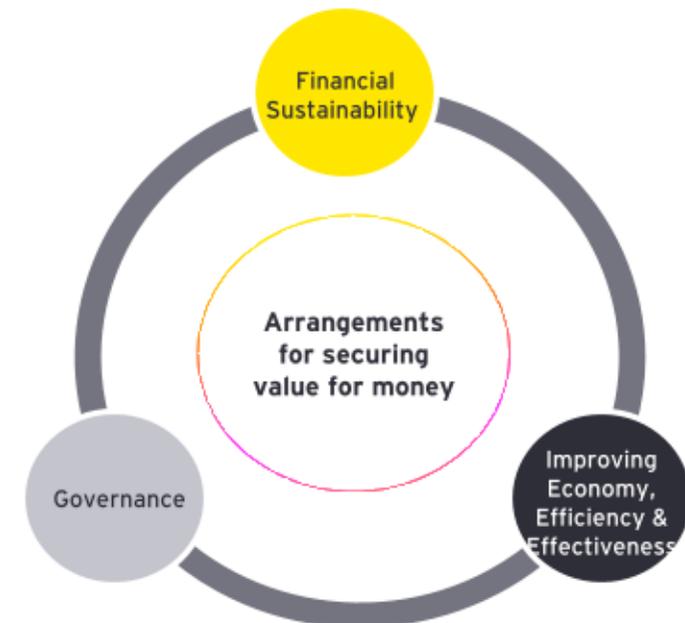
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

The specified reporting criteria are:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Council committee reports;
- meetings with the Corporate Director of Finance & Resources;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Council management and the finance team.



Executive Summary (cont'd)

Reporting

Our commentary for 2024/25 is presented in Section 03. This section provides a summary of our understanding of the arrangements at the Council, as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this draft Auditor's Annual Report, which must be issued by 30 November. The recommendations we have agreed upon with the Council are included in Appendices A and B.

The final version of this report will be issued alongside the signed audit report concluding on the 2024/25 year.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your arrangements.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	As set out in our Audit Report issued on 26 February 2025, we identified a significant weakness in Governance arrangements following an independent external review of the internal audit function that raised concerns in relation to independence and objectivity; ethics and professionalism, governance, risk management and control processes; engagement workpapers and supervision; and engagement communication. As this report was received during the 2024/25 financial year, we therefore considered there to be a risk that this weakness in arrangements was also present during 2024/25.	As a result of the concerns raised by the external review of Internal Audit for 2023/24, and the disclaimed internal audit opinion issued for 2024/25, we are unable to conclude that the internal audit function was operating effectively for the whole of 2024/25 and will therefore report a significant weakness in governance arrangements again this year.
Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weaknesses identified

Executive Summary (cont'd)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2025

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2025:

[EY UK 2025 Transparency Report | EY – UK](#)



02

Audit of financial statements

Audit of financial statements

Key findings

The Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

Our audit of the 2024/25 financial statements is currently in progress, with preliminary findings reported to the Corporate Governance Committee in September 2024. Any updates to the matters already reported will be included in a final Audit Results Report to be issued alongside our audit opinion.

Financial statement risks

Significant risk

Conclusion

Misstatements due to fraud or error -
Management override of controls

While the audit work on journals and related parties have been completed, the review of these areas is still underway. We have not identified any management bias in our work performed to date. We did not identify transactions which appears unusual or outside the normal course of business. We did not identify instances where management bias was present in the key accounting estimates and judgements in the financial statements

Misstatements due to fraud or error -
capitalisation of revenue expenditure

The work in this area is complete, subject to final senior manager and partner review of Revenue Expenditure Funded by Capital Under Statute ('REFCUS') and the audit team addressing review comments on the testing of additions to property, plant and equipment. Subject to completion of these procedures, we concluded that:

- We did not identify any instances of inappropriate capitalisation of revenue expenditure.
- We did not identify any journals that inappropriately transfers from revenue to capital codes in the general ledger.

Valuation of Land and Buildings, and
Investment Property

The work in this area is complete, subject to the audit team clearing senior manager review comments and final partner review. We have no matters that we would like to raise at the time of writing this report, other than the following.

- Included in property plant and equipment is an item (mobile home park) where the valuation has been overstated by £0.2 million due to the valuer using incorrect income information in the valuation. Management has agreed to adjust for this misstatement in the final version of the financial statements.
- Property, plant and equipment includes an item of land (Paxton Pits) where, in the view of our EY Real Estate team, the valuation is overstated by £1 million. We recognise that the valuation of this asset is an area of estimation and different valuers may take different assumptions. Management are comfortable with the valuation provided and do not want to adjust the financial statements and, as the estimation difference is not material, we are satisfied with this approach.

Audit of financial statements

Financial Statement reporting assessment

Management, and the Corporate Governance Committee, as the Council's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table over-page sets out our views on the effectiveness of the Council's arrangements to support external financial across a range of relevant measures.

In addition, the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance is set out on page 16. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

Audit of financial statements

Financial Statement reporting assessment

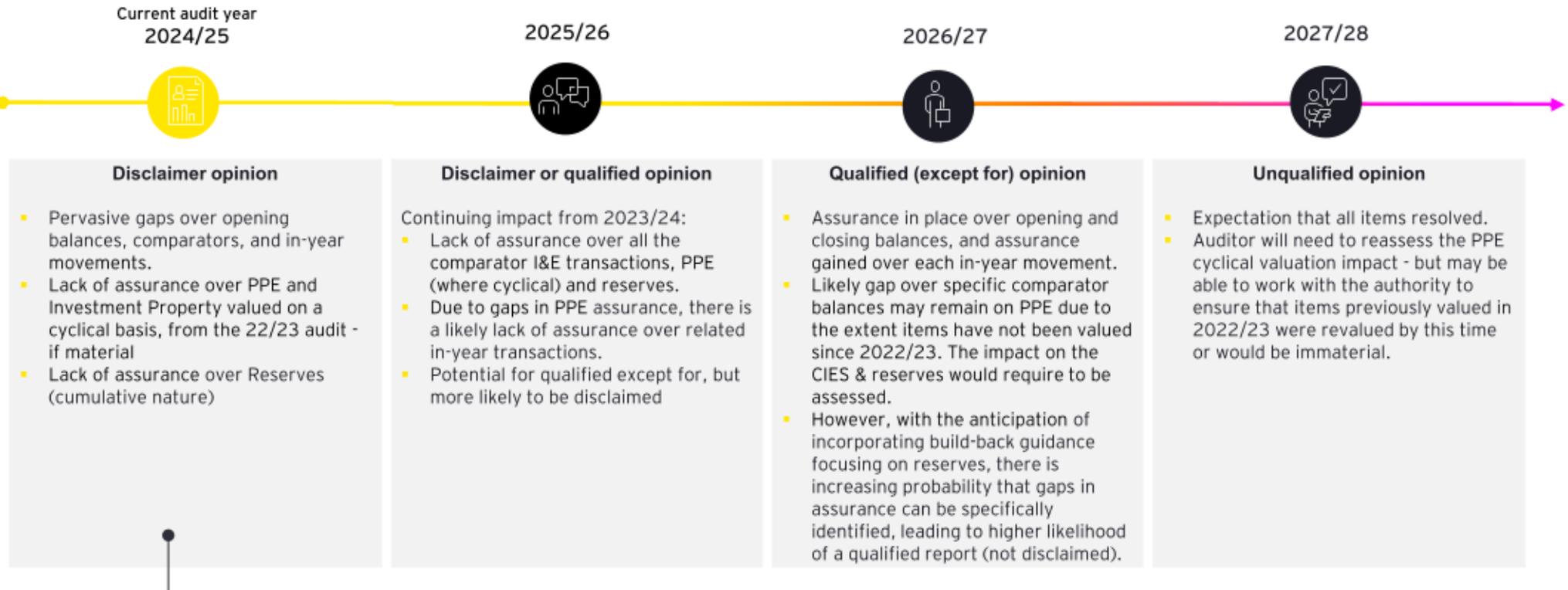
Area	Status			Explanation
	R	A	G	
Timeliness of the draft financial statements	Effective			The financial statements were published on 19 June 2025, in advance of the 30 th June 2025 deadline set out in the Accounts and Audit Regulations.
Quality and completeness of the draft financial statements	Effective			We have not identified any material issues relating to the quality and completeness of the draft financial statements.
Delivery of working papers in accordance with agreed client assistance schedule	Effective			Working papers were provided to the agreed timetable.
Quality of working papers and supporting evidence	Effective			Working papers and supporting evidence were generally of a good standard.
Timeliness and quality of evidence supporting key accounting estimates	Effective			Audit evidence was largely submitted to us on time and was of a good quality, with a small number of matters requiring additional follow up.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			There were no significant issues with access to the finance team and key personnel. In instances when certain personnel were not available management informed us in advance to enable us to redeploy our audit resource and minimise the impact on our audit.
Volume and value of identified misstatements	Requires improvement			A number of non-material misstatements were detected as a result of our work, some of which have been corrected by management.
Volume of misstatements in disclosure	Effective			Our work did identify some misstatements in disclosure which management have agreed to adjust, but the volume is lower than what we typically see in the audit process.

Appendix A – Progress to full assurance

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

EXPECTED TO BE DETECTED



CURRENT AUDIT STATUS OF HUNTINGDONSHIRE DISTRICT COUNCIL

- The Council's progress is behind the expected timescales set out in LARRIG 01.
- This is because *no procedures* were completed in 2022/23. In addition, not all of the balance sheet procedures for the prior have been completed resulting in limited or no assurance obtained for that year.
- The prior year disclaimer impacts the current year opening balances and movements for the year, therefore, we still expect a disclaimer outcome for the current year.



03

Value for Money commentary

Value for Money

The Council's responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Our responsibilities

Under the revised NAO Code, we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period. Our summary over-page:

Value for Money

Our responsibilities

		Significant risk identified	Significant weakness identified
	<p>Financial sustainability</p> <p>How the Council plans and manages its resources to ensure it can continue to deliver its services.</p>	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> No
 	<p>Governance</p> <p>How the Council ensures that it makes informed decisions and properly manages its risks.</p>	<ul style="list-style-type: none"> As set out in our Audit Report issued on 26 February 2025, we identified a significant weakness in Governance arrangements following an independent external review of the internal audit function that raised concerns in relation to independence and objectivity; ethics and professionalism, governance, risk management and control processes; engagement workpapers and supervision; and engagement communication. As this report was received during the 2024/25 financial year, we therefore considered there to be a risk that this weakness in arrangements was also present during 2024/25. 	<p>As a result of the concerns raised by the external review of Internal Audit for 2023/24, and the disclaimed internal audit opinion issued for 2024/25, we are unable to conclude that the internal audit function was operating effectively for the whole of 2024/25 and will therefore report a significant weakness in governance arrangements again this year.</p>
	<p>Improving economy, efficiency and effectiveness</p> <p>How the Council uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> No



VFM commentary: Financial Sustainability

Financial sustainability: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Financial Sustainability sub-criteria set out in AGN03:

- How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the body plans to bridge its funding gaps and identifies achievable savings;
- How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's arrangements for financial sustainability. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Council's underlying arrangements in relation to financial sustainability are not significantly different in 2023/24.

Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.



Financial Sustainability considerations

Medium Term Financial Strategy

In February 2024, Huntingdonshire District Council presented its 2024/25 Budget alongside a Medium-Term Financial Strategy (MTFS) covering the period from 2025/26 to 2028/29. The MTFS highlights ongoing financial uncertainty within the sector, driven in part by the Local Government Settlement announced in December 2023, which provided only a single year of funding. Additional uncertainty stems from the anticipated reset of the National Non-Domestic Rates (NNDR), expected to negatively impact the Council's finances when implemented in 2025/26.

Key challenges identified in the MTFS include rising employee costs due to inflation and increased expenses in areas such as waste processing. To address these pressures, the Council plans to raise fees and charges by 4% to 5% in both 2025/26 and 2026/27. Targeted services for additional income include One Leisure centres, car parking, licensing and planning services, and the Garden Waste Subscription service.

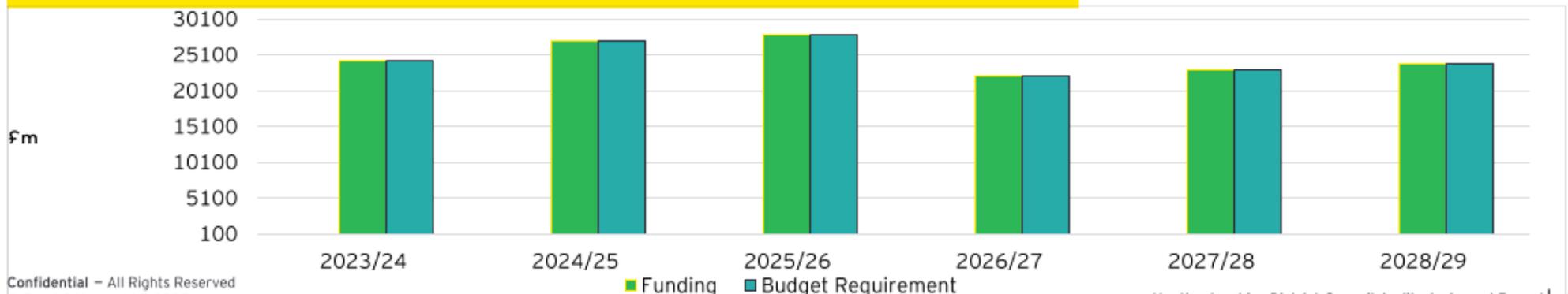
The Council also intends to review its Commercial Investment Strategy, having recently upgraded two investment properties in Fareham. This strategy is projected to boost property revenue by 7% in 2025/26, with further annual increases of 1% to 2% throughout the MTFS period.

The Council's budget requirement (net expenditure) rose by 11.5% to £27 million in 2024/25, but this growth is expected to slow to 3.5% in 2025/26 and decrease further in subsequent years. This anticipated reduction is largely due to the planned measures such as increasing fees and charges (including the Garden Waste Subscription), review of the operations of One Leisure facilities, reviewing the Commercial Investment Strategy, and using other income streams like car parks, licensing and planning services.

To close the funding gap management has drawn on earmarked reserves, gradually increasing Council Tax, and using the expected increase in fees and charges. As a result, the Council projects that there is no funding gap and forecasts that this balanced position will continue throughout the MTFS period.

The Council's original capital budget for 2025/26 was £26.1 million. This figure included £13.3 million of rephased expenditure carried forward from the previous year, which increased to £18.9 million by year-end. An additional £0.2 million in spending was also added, bringing the total current budget to £31.9 million. For 2024/25, the capital outturn was £16.8 million, with £15.86 million rephased into 2025/26. Most of this rephasing relates to the Housing Delivery and Regeneration service, where the majority of projects are now expected to complete in 2025/26. In addition, delays in the Hinchbrooke Country Club project have contributed to rephasing within the Insights and Delivery service.

Exhibit A: The Council's MTFS outlines forecasts no budget gap up to 2028/29





Financial Sustainability considerations

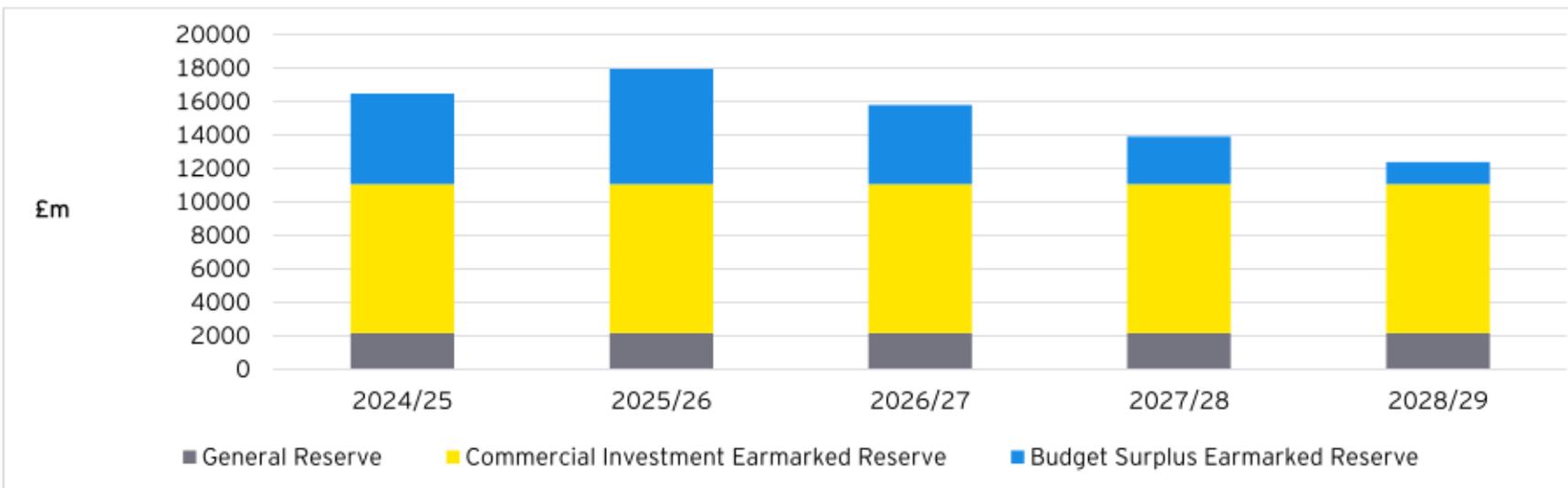
Reserves position

The Council has decided to maintain a fixed General Reserve threshold of £2.2 million, consistent with previous years, and plans to keep this level throughout the Medium-Term Financial Strategy (MTFS) period. In addition to the General Reserve, the Council also holds a Budget Surplus Reserve and a Commercial Investment Reserve as part of its earmarked reserves.

The Budget Surplus Reserve is used to absorb any service underspends that would otherwise push the General Reserve above the £2.2 million threshold, and it can also be used to cover future estimated deficits. When reserves are needed to address unforeseen events, the Council's policy is to use the General Fund Reserve first, followed by the Budget Surplus Reserve, and, as a last resort, the Commercial Investment Reserve.

While the balances of the General Fund Reserve and the Commercial Investment Reserve are expected to remain stable, the Budget Surplus Reserve is projected to increase in 2025/26 and then gradually decrease. This trend is mainly due to the NNDR reset, which will be implemented from the 2026/27 financial year. Business rates income is expected to fall sharply from £14.6 million in 2025/26 to £10.4 million in 2026/27, remaining at this lower level for the rest of the MTFS period. Additionally, government funding is anticipated to decline from 2026/27 onwards. To help offset this reduced income, the Council plans to increase Council Tax by 4% per year, use the expected increase in fees and charges, and has set aside £3.5 million to prepare for the expected reduction in government funding.

Exhibit C: The Council's forecast reserve position in the MTFP





Financial Sustainability considerations

Outturn position

Overall, the Council overspent its budget by £0.06 million in 2024/25. The main factors contributing to this overspend were:

- **Corporate Leadership:** Additional costs arose from the creation of the transformation and community health funds, as well as increased employee expenses.
- **Operational Underspending:** Operations saw underspending, largely due to higher-than-expected income from Green Bin subscriptions, Street Cleansing, and CCTV services.

Looking ahead, the Medium-Term Financial Strategy (MTFS) for 2025/26 to 2028/29 highlights several challenges, including reduced income from NNDR and government grants, alongside rising costs. In response, the Council is focusing on diversifying and increasing other income streams, such as those from One Leisure centres, car parking, licensing and planning services, and the Garden Waste Subscription service. The Garden Waste subscription, introduced in 2024/25, allows residents to continue receiving the service for an annual fee rather than discontinuing it.

To further strengthen its financial position, the Council has appraised the One Leisure centres to ensure commercial viability and has planned a review of its Commercial Investment Strategy in 2024/25. While the budget anticipated increased waste processing costs due to the materials recovery facility (MRF) contract, delays in this contract and the Climate Change project resulted in lower-than-expected expenditure.

Exhibit D: The Council recorded a marginal overspend against budget in 2024/25

Service area	Budget £m	Expenditure £m	(Underspend) /Overspend £m
Chief operating officer	5.93	6.13	0.2
Chief planning officer	0.78	0.83	0.05
Corporate leadership team	0.71	2.25	1.54
Corporate services	8.45	7.94	(0.51)
Economic development	0.35	0.22	(0.13)
Housing strategy	0.21	0.21	-
Leisure & health	0.35	0.23	(0.12)
Operations	5.55	4.42	(1.13)
Strategic insight & delivery	0.69	0.96	0.27
3CICT shared service	2.98	2.88	(0.10)
Total	26.00	26.06	0.06



VFM commentary: Governance

Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the body monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the body approaches and carries out its annual budget setting process;
- How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

Significant risks identified during planning procedures

- As set out in our Audit Report issued on 26 February 2025, we identified a significant weakness in Governance arrangements following an independent external review of the internal audit function that raised concerns in relation to independence and objectivity; ethics and professionalism, governance, risk management and control processes; engagement workpapers and supervision; and engagement communication. As this report was received during the 2024/25 financial year we therefore considered there to be a risk that this weakness in arrangements was also present during 2024/25.

Overview of our conclusions

Based on the work performed, we have identified a significant weakness in the arrangements that we will be reporting by exception in relation to the effectiveness of the internal audit function.

Recommendation

- We recommend that the Corporate Governance Committee should regularly monitor the implementation of actions taken by management to strengthen the internal audit function, to obtain assurance that the necessary improvements in the control environment are implemented and embedded across the Council.



Governance considerations

Internal audit and risk management arrangements

As part of our 2023/24 value for money work we reviewed the conclusions of the external review of the Internal Audit Service commissioned by management in preparation for an External Quality Assessment. The review raised several concerns in the following areas:

- Independence, ethics, and professionalism
- Governance, risk management, and control processes
- Engagement working papers and supervision
- Engagement communication

The timing of receipt of this report, combined with the fact that the Council was without an Audit Manager until July 2024 (with the Section 151 Officer covering the role in the meantime), meant that the concerns extended into the 2024/25 financial year. The ability to progress recommendations to address the concerns raised in the review was further impeded by the fact that the Interim Audit Manager left the Council in December 2024. Management therefore appointed RSM to temporarily fill the Internal Audit Manager role and strengthen the audit function and risk management in January 2025.

RSM, in their role as Head of Internal audit of the Council have reported that, at the time of their appointment, four high and 2 medium priority actions raised in the review commissioned in advance of the External Quality Assessment had not been actioned, highlighting that concerns raised were relevant for most of 2024/25. Further RSM issued a disclaimed Head of Internal Audit opinion for 2024/25 as internal audit coverage over the year had not been sufficient to follow public sector internal audit standards. Points of note in relation to the 2024/25, include:

- An internal audit plan for 2024/25 was derived by the previous audit manager using a risk management framework that had not been subject to internal audit review and evaluation since 2022/23, and in 2022/23 a limited assurance opinion was by the Head of Internal Audit on the risk management arrangements.
- The planned internal audit work for 2024/25 has been subject to various postponements / cancellations, and a total of 11 reviews initially planned were deferred to subsequent financial years and not replaced with other reviews in year.

Taking the above factors in consideration are unable to conclude that the internal audit function was operating effectively for the whole of 2024/25 and have therefore reported a significant weakness in governance arrangements again this year. We do, however, note that management have continued to address areas of concern in 2025/26 and we will consider this as part of our work on the VfM arrangements for 2025/26.



Governance considerations

Local Government Reorganisation

Local Government Reorganisation is expected to pose challenges for local authorities over the next year. During this period of change, the Council must maintain essential services and fulfil statutory duties. According to MHCLG guidance issued in July 2025, decisions made by the Council prior to reorganisation regarding ongoing service delivery and the medium-term financial strategy should focus on providing value for money for taxpayers and avoid limiting future decisions or sustainability of new councils.

The government has stated that it will issue directions under section 24 of the 2007 Act after Structural Changes Orders are made, specifying a person authorized to give consent on relevant matters and outlining how this authority should be exercised. MHCLG has noted these directions will follow previous precedents, requiring written consent from the successor council for land disposals and contracts exceeding a specified value.

To comply with MHCLG guidance and forthcoming directions, councillors and statutory officers need to be aware of their responsibilities and ensure that appropriate accounting and governance systems are maintained.



VFM commentary: Improving economy, efficiency and effectiveness

Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the body evaluates the service it provides to assess performance and identify areas for improvement;
- How the body ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the body commissions or procures services, how it assesses whether it is realising the expected benefits.

Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's arrangements for improving economy, efficiency and effectiveness. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Council's underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25 to the prior years.

Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 in how it uses information about its costs and performance to improve the way it manages and delivers its services.



Improving economy, efficiency and effectiveness considerations

Financial and performance information

The Section 151 Officer prepares and submits a Medium-Term Financial Strategy ('MTFS') to the Council and Cabinet. The MTFP provides a projection of the costs of delivering services over the proceeding 4 years. It also identifies any budget gaps that the Council will need to address through savings plans or the generation of additional income.

The Council continues to operate in a difficult economic environment, with inflation and cost pressures affecting service delivery. As a result, service expenditure has increased steadily from the prior year and is expected to continue increasing as per the MTFS. In terms of the strategy, Local Government Settlement has provided some additional funding to assist with escalating costs in 2024/25, however, it only assists for one-year.

Net expenditure has increased by 17% per the Revenue Outturn and is expected to increase by 1% - 2% from 2025/26 onwards.

In order to mitigate unforeseen events, the Council has maintained its General Fund reserve at a minimum of £2.175 million. Overall, the Council was able to maintain its total reserve balances.

Procurement and commissioning of services

The internal audit Council's Code of Procurement for 2024/25 resulted in a Limited Assurance opinion, highlighting significant gaps and weaknesses in governance, risk management, and control. Key issues identified include the need to update the Code of Procurement and related procedures to align with the new Procurement Act to be effective from April 2025, limited awareness and inconsistent application of procurement requirements across service teams, incomplete internal contracts registers, and a lack of periodic sample checks to ensure compliance with procurement rules. The audit also found that there was no formal documentation of approval hierarchies, insufficient post-award contract management, and that the procurement team was understaffed, which hindered the implementation of robust controls

Despite these weaknesses, the audit noted areas of good practice, such as the procurement team's motivation and the existence of a Procurement Excellence Plan and Aide Memoire. Management has already begun addressing the findings, including recruiting additional staff and drafting updated documentation. Seven key actions were agreed, focusing on updating procedures, improving training and awareness, enhancing contract and payment alignment, strengthening post-award monitoring, documenting approval limits, and reviewing procurement team resources. These actions were scheduled for completion by April and May 2025, aiming to bring the Council's procurement processes in line with best practice and the new regulatory requirements that came into effect.

Partnership working

The Council has joint arrangements with other local authorities to exercise the Council's Executive and/or Non-Executive functions. Where the arrangements are to exercise the Council's statutory functions, the terms of reference and functions of these joint committees are set out within the Constitution. The Council also maintains Partnership Agreements, Service Level Agreements, or memorandums of Understanding for each significant partnership that is monitored through day-to-day operational functions and reviewed and reported on at Board Meetings or Performance Meetings.



04 Appendices

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Appendix A – Recommendations from current year

Recommendations from 2024/25

The table below sets out the recommendations arising from the value for money work for the year 2024/25. All recommendations have been agreed by management.

Issue	Recommendation	Management response
Governance	We recommend the that the Corporate Governance Committee should regularly monitor the implementation of actions taken by management to strengthen the internal audit function, to obtain assurance that the necessary improvements in the control environment are implemented and embedded across the Council.	

Appendix B – Recommendations from previous years

Recommendations brought forward from previous years

The table below sets out the recommendations arising from the value for money work in the prior year, 2023/24, and progress made in the current year. All recommendations have been agreed by management.

Issue	Recommendation	Progress made in 2024/25
Governance	Implement the action plan developed in response to the findings of the independent review of internal audit, within the agreed timeframes, and report progress to the Corporate Governance Committee.	As highlighted in the body of this report, progress has been made to address the concerns raised in relation to the Internal Audit Service, but the areas of concern were relevant for the majority of 2024/25. We have refined our recommendation, to reflect the current status of the Council, on the previous slide.

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CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

Committee	Decisions	Date for Action	Action Taken	Officer Responsible	Delete from future list
N/A	<p>Constitution Review Working Group</p> <p>Constitution Review Working Group appointed at Annual Council on 15 May 2025.</p>	N/A	<p>Work is proceeding on terms for inclusion in the Constitution on amendments to the Budget in conjunction with the Centre for Governance and Scrutiny. This will be considered further at their next meeting. Work is also still progressing on the Officer Scheme of Delegation and has been reviewed by Officers to reflect the updated management structure before further review by ADSO and the Working Group.</p>	<p>Elections & Democratic Services Manager</p>	No
26/11/2025	<p>Internal Audit Update Report</p> <p><u>Question from Cllr Taylor</u></p> <p>A question was raised by the Committee regarding recent government legislation in the form of the Renters' Right Act and how this might affect the Council, which would be taken away to the Housing Team and a written answer circulated to the Committee.</p>		<p>The Renters Rights Act is set to strengthen our existing enforcement powers in relation to private sector housing, it places new duties on us to take enforcement action and it also extends civil penalties that we can use. The Implementation Roadmap has just been published and the most significant changes for us will be from May 2026. Until then we will continue to be</p>	<p>Environmental Health Service Manager</p>	Yes

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

			able to use our existing enforcement powers under the Housing Act 2004. We have received some new burdens funding and are looking into how best to use this. There is a national project, Operation Jigsaw, that is supporting authorities to implement the Act and officers are engaged in this.		
26/11/2025	<p>Internal Audit Actions Update</p> <p>In response to a question from the Committee, the Risk Manager advised that an appendix could be introduced to include a graph to clearly display open actions against closed actions, to help give a better visual of what progress had been made.</p>		Officers have taken forward this action and two visual graphs have been included in section 3 of the Internal Audit Actions Update. This will now form part of the standard reporting process for this agenda item.	Risk Manager	Yes

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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