



HUNTINGDONSHIRE DISTRICT COUNCIL

Internal Audit Progress Report

Corporate Governance Committee – 18 March 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 January 2026, we have finalised the following internal audit reports:

- Follow Up Part One (**Reasonable Progress**)
- Democratic Services (**Reasonable Progress**)
- IT Remediation Review (Advisory)
- Risk Management (Advisory)
- Data Protection (Advisory)

The following internal audit reports have been issued in draft:

- Market Towns Programme
- Effectiveness of CDIO Role



Fieldwork for the following reviews is currently in progress:

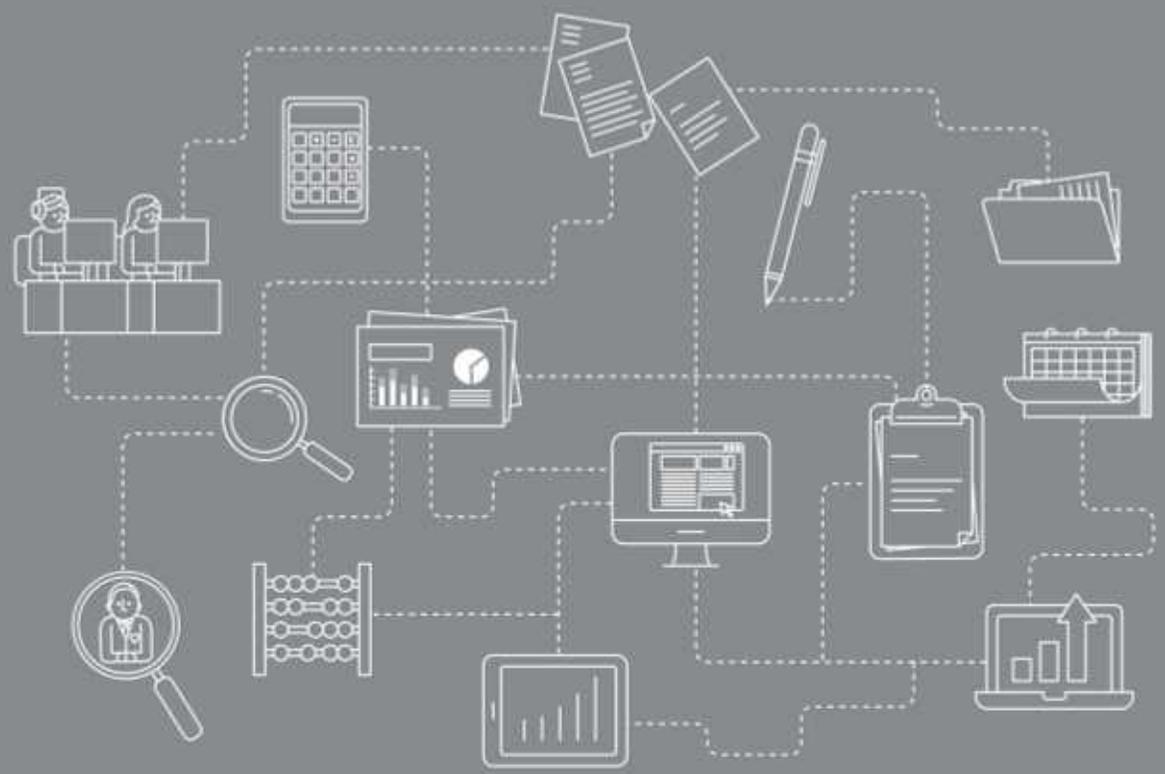
- Follow Up Part Two
- ICT Budget Management and Efficiencies **[to note]**

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

We have issued one Client Briefing covering the Employment Rights Bill.

Final Reports

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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>Follow Up Part One 2025/26</p> <p>Taking account of the issues identified and in line with our definitions, in our opinion Huntingdonshire District Council has demonstrated Reasonable Progress in implementing agreed management actions.</p> <p>We found that of the 13 management actions followed up in total, 11 had been fully implemented (85%). We found two medium priority actions were not implemented (15%).</p> <p>All high priority management actions were implemented (100%) and eight of the 10 medium priority management actions were implemented (80%).</p> <p>We have reiterated two medium priority management actions. We also agreed one new low priority management action relating to improving the control framework moving forward.</p> <p><u>No high priority actions</u></p>	Reasonable Progress	1	2	0
<p>IT Remediation Review (HDC Arrangements) 2025/26</p> <p>Our assessment indicates that the introduction of the CDIO role has enabled HDC to deliver improvements as set out by the CDIO programme and has accelerated foundations for long-term improvement. Programme evidence and 360-degree feedback as part of the employee satisfaction survey for HDC point to a step change in leadership presence and alignment across digital and ICT, alongside a governance reset, improved transparency, cultural interventions, and measurable gains in user sentiment across key service attributes. The three-wave delivery framework has strengthened sequencing and dependency management, and a consolidated survey instrument evidence's year-on-year improvement in overall satisfaction and core service dimensions. Taken together, these outcomes demonstrate clear positive impact against the intent of the CDIO programme.</p> <p>Nevertheless, we identified areas where further action is needed to fully realise and sustain benefits. The operating model uplift is incomplete, with delays to recruitment (such as Enterprise Architect and Business Partnering) sustaining a single-point dependency on the CDIO.</p> <p>We have agreed two medium priority actions in relation to the above. Furthermore, while year-on-year satisfaction scores have improved, the survey results confirm that several user-level service gaps remain unresolved. Until the Council completes the planned Wave 2 - 3 activities to address these gaps, there is a continued risk that improvements delivered to date will not fully translate into a sustained uplift in user experience.</p> <p><u>No high priority actions</u></p>	Advisory	0	2	0

Assignment	Opinion issued	Actions agreed		
		L	M	H

Risk Management 2025/26

Significant progress has been made in improving the Risk Management arrangements at the Council. The Council continues to make positive progress on its risk management maturity journey, with a clear commitment to strengthening and embedding the revised framework. The development of the updated Risk Management Strategy and Policy, along with the emerging risk appetite statement, demonstrates the Council's intention to enhance clarity, consistency and governance across its approach to risk management. The use of specialist software, ongoing oversight of corporate risks by CLT and CGC, and quarterly engagement between the Risk Manager and service-level risk managers provide a solid foundation to support further development.

However, work remains ongoing to fully embed the revised arrangements. The Strategy and Policy remain in draft and have not yet been presented for approval to the CGC, which limits the extent to which some elements of the framework can be fully implemented. However, the relevant touchpoints are currently being reviewed. We further noted that the revised framework has been led primarily by the Risk Manager, and although a structured handover is underway (the current risk manager is leaving for a new role), ensuring that succession arrangements are fully embedded will be important for sustaining progress and maintaining continuity.

Advisory 2 4 0

While these areas highlight the need for continued development, the foundations already in place and the clear direction set through the revised framework position's the Council well to continue strengthening and embed it's enhanced risk management arrangements. Service-level risk registers showed variable maturity. We confirmed that updates were documented at corporate level; however, adequate oversight will be required to ensure consistent application across services, particularly with documenting the requirements of quarterly reviews. We also noted that service-level risk registers continue to evolve as part of the new framework, including the use of the three lines of defence model and the assignment of Heads of Service as risk owners.

No high priority actions

Democratic Services 2025/26

The audit found that core governance processes within Democratic Services are generally well-established and operating effectively, with several areas of good practice observed. Agenda planning is robust, with a comprehensive and well-maintained Agenda Plan that supports effective oversight of upcoming business for both Full Council and the Corporate Governance Committee. Minutes for both committees were found to be consistently well-structured, clear, and compliant with expected standards, and meeting frequency and quoracy requirements were fully met in all cases sampled. Committee papers were published and distributed in accordance with constitutional and legislative requirements and the newly developed SharePoint site represents a significant enhancement in ensuring secure, consistent, and well-governed document management across the service.

Reasonable Progress 4 1 0

The review, however, identified some opportunities to strengthen governance arrangements further and as a result, one medium-priority and four low-priority management actions have been agreed with management. The Corporate Forward Plan was compliant, but several entries lacked a clear description of the decision to be taken, impacting transparency and engagement for members and the public.

Assignment	Opinion issued	Actions agreed		
		L	M	H
<p>At the time of testing, the SharePoint site was well-designed and available for use across the team; however, the reliance on a single site owner to manage access permissions created an operational dependency (note management have since addressed this weakness). In addition, the Action Tracker requires enhancement: key data fields such as due dates and closure dates are not consistently captured, and gaps were identified in the completeness and clarity of recorded actions. The Tracker's scope is also limited, meaning not all actions arising from meetings are routinely monitored or reported. The Corporate Governance Committee receives routine updates on action progress.</p> <p><u>No high priority actions</u></p>				
<p>Data Protection 2025/26</p>				
<p>Our assessment indicates that HDC has established a maturing and increasingly structured data protection framework, with clear progress in several core control areas. The Council maintains an Information Asset Register aligned to key Record of Processing Activities (RoPA) requirements under Article 30 of the UK GDPR, operates active governance forums, delivers mandatory GDPR training, and has embedded Data Protection Impact Assessment (DPIA) processes for new systems and changes.</p>				
<p>Management also highlighted that a new system, App Insight, is scheduled to go live in the coming weeks. This is expected to serve as a central catalogue for system information and compliance functions, improving visibility, consistency, and the accuracy of processing records over time. This represents a positive future enhancement to the Council's data protection control environment.</p>				
<p>Nevertheless, we identified areas where further action is needed to embed consistency and improve assurance across data protection processes. Operational retention controls remain incomplete, with automated deletion, workflow-driven disposal and evidencable audit trails still under development as part of the Purview file plan project. The Information Asset Owner model is not yet consistently embedded across services, resulting in irregular maintenance of processing information. RoPA updates occur on an ad hoc basis without a structured review cycle, reducing confidence that long-standing or lower-risk processing records remain accurate. Third-party data deletion is not verified, staff are not required to acknowledge the AI policy before using AI tools, formal Key Performance Indicator (KPI) reporting for mandatory training has not yet been reinstated, and enhanced, risk-based training for higher-risk roles is not yet consistently in place.</p>	Advisory	4	4	0
<p>Taken together, these gaps indicate that while meaningful progress has been made, further work is required to ensure processes are applied consistently, information remains accurate, and governance expectations are fully embedded across all services. Eight actions have been agreed, four medium priority, three low priority, and one advisory action, addressing retention, roles and responsibilities, third party assurance, training oversight and risk-based capability uplift. Completion of these actions, supported by the forthcoming implementation of App Insight, will strengthen the Council's ability to demonstrate effective data protection practice and maintain alignment with UK GDPR principles.</p>				
<p><u>No high priority actions</u></p>				

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	Final Report – Reasonable Progress	0	2	1	March 2026	March 2026
18 IT Remediation Review	Final Report – Advisory	0	2	0	March 2026	March 2026
19 Risk Management	Final Report – Advisory	0	4	2	March 2026	March 2026
20 Democratic Services	Final Report – Reasonable Assurance	0	1	4	March 2026	March 2026
21 Data Protection (Advisory)	Final Report – Advisory	0	4	4	June 2026	March 2026

Assignment	Status / Opinion issued / Start date	Actions agreed			Target CGC	Actual CGC meeting
		H	M	L		
22	Follow Up – Part 2	Fieldwork in progress			June 2026	
23	Market Towns Programme	Draft Report			March 2026 (now June 2026)*	
24	Effectiveness of CDIO Role	Draft Report			March 2026 (now June 2026)*	
25	ICT Budget Management (replaces AI)	Fieldwork in progress			June 2026	

* These reports have been issued in draft, but we are awaiting a response from management to agree the action owners and dates.

APPENDIX B: OTHER MATTERS

There have been the following changes to the Internal Audit Plan for 2025/26 since the last meeting in January 2026.

Note	Auditable area	Reason for change
5	IT Reports	We have agreed with the CDIO to split the 'Effectiveness of CDIO Role' audit into two separate reports. One covers IT Remediation (HDC Arrangements), which has been finalised, and has been shared with 3C ICT Partners. The other report will be shared with HDC only.

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.
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.

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 have completed one of the Follow Up audits where we have provided a positive assurance opinion (Reasonable Progress). As we had previously reported to the CGC, the Follow Up reviews are important in determining our overall conclusions with the respect to our annual opinion on governance, risk management and internal control. This is because they will be covering a number of the actions from the partial assurance opinions issued in 2025/26 and prior year negative opinion reviews.

We will keep the S151 Officer, and the wider CLT apprised of the potential impact on the year end opinion the remaining reports are finalised.

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

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