



HUNTINGDONSHIRE DISTRICT COUNCIL

Internal Audit Progress Report

Corporate Governance Committee – 17 June 2026

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CONTENTS

Key messages.....	3
1. Final reports	5

Appendices

Appendix A: Progress against the internal audit plan 2025/26.....	8
Appendix B: Other matters	11
Appendix C: Assurance Opinions.....	13

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 March 2026, we have finalised the following three internal audit reports:

- Market Towns Programme (**Reasonable Assurance**)
- Chief Digital and Information Officer (**Reasonable Assurance**)
- ICT Budget Management and Efficiency Savings (**Minimal Assurance**)

The following report has been issued in draft:

- Follow Up Part Two (2025/26) – this is the last remaining report from the 2025/26 plan.

2026/27 Internal Audit Plan – We have issued the following internal audit report in draft since the last meeting:

- Recruitment and Retention (2026/27)

Fieldwork for the following reviews from the 2026/27 plan are currently in progress:

- Licensing and Environmental Health
- HR Data Quality
- Health and Safety **[to note]**

Details of the progress made, and scheduling of the 2026/27 internal audit plan are included at Appendix A. **[To note]**

We have issued two Client Briefings as follows since the last meeting:

- Emerging Risk Radar (Spring Edition)
- Quality Assurance and Improvement Programme (linked to Global Internal Audit Standards) **[to note]**



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>Market Towns Programme</p> <p>We noted that the majority of this programme has been delivered, which is taken into account as part of our overall (positive) assurance opinion. However, the audit identified some control weaknesses which resulted in the agreement of two medium and three low priority management actions. In two cases we have highlighted weaknesses previously identified from our Transformation internal audit completed early in 2025/26.</p> <p>The review identified a number of controls operating in practice across the sampled projects. Delivery progress for the sampled projects is tracked through structured highlight reporting, supported by standard templates which capture project RAG status, key milestones, risks, mitigating actions and financial information. During the period the Market Towns Programme Board was operating, these reports were used to support oversight of project delivery and emerging risks.</p> <p>Financial schedules are maintained to track spend against approved budgets and are incorporated into highlight reporting, providing visibility of project financial performance. Programme and project updates, including financial information, were periodically reported to Members through Overview and Scrutiny and Cabinet, supporting wider organisational oversight. In addition, formal project closure arrangements are in place across the sampled projects. Closure documentation confirmed completion status, assessed delivery against objectives and identified any ongoing responsibilities.</p> <p>However, gaps were identified in evidencing approval of business cases and initiation documents, in the consistent use of Project Initiation Documents, and in the maintenance of project-level risk registers as live documents. Whilst a programme-level risk register is maintained and reported on, project-level registers varied in completeness. The projects reviewed commenced at different stages of the programme lifecycle under evolving governance arrangements, which has contributed to variation in documentation practices over time. These themes are consistent with findings raised within the Transformation audit regarding the need for greater standardisation of project management practices across the Council.</p> <p>In addition, whilst changes sampled were supported by evidence that approval had been obtained prior to implementation, there is no documented change control framework prescribing approval thresholds or routes, and no centralised programme-level change log. Also, although financial performance is monitored through highlight reporting, no documented variance thresholds were identified to define when budget variances should trigger formal escalation. Furthermore, the discontinuation of the Programme Board was not formally documented at the time of change, and revised governance arrangements were not reflected project documentation.</p>	Reasonable Assurance	3	2	0

Assignment	Opinion issued	Actions agreed		
		L	M	H

Overall, strengthening documentation, standardisation and formal governance frameworks will enhance consistency and provide clearer assurance over programme management arrangements.

Chief Digital and Information Officer

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. 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.

Nevertheless, we have agreed on a high priority action where we have identified that embedding of the CDIO role and authority remain inconsistent across the Partner Councils. HDC has fully integrated the CDIO into leadership, whereas CCC and SCDC continue to engage the role on a more ad hoc basis, diluting cross-council alignment and slowing decision-making. Additionally, Local Government Reorganisation (LGR) activity is exerting a significant and un-resourced demand on the CDIO's capacity, creating prioritisation risks between remediation delivery and LGR readiness. Without clearer cross-council expectations, capacity plans and governance alignment, there is an elevated risk that remediation milestones will slip, and benefits realisation will be under-evidenced. Although it is important that a consistent approach is applied in order to drive strategic alignment, we recognise that HDC has progressed further in fully integrating the CDIO role into leadership and therefore can provide a reasonable assurance opinion in this report.

Reasonable Assurance

0 0 1

Management Action:

Huntingdonshire District Council will:

- Clarify the Chief Digital and Information Officer (CDIO) remit and authority with the Partner Councils and embed the agreed expectations across leadership structures.
- Set clear priorities between remediation and Local Government Reorganisation (LGR), and allocate CDIO capacity and support transparently.
- Increase operating-model capacity (e.g. Enterprise Architect/Business Partnering and interim/deputy support) to reduce single-point dependency. **High**

Owner: Michelle Sacks, CEO

Deadline: 30 September 2026

ICT Budget Management and Efficiency Savings

This audit was requested by the CDIO and is submitted as a Part 2 paper. The audit identified a number of control weaknesses resulting in seven high, four medium and six low priority management actions.

Minimal Assurance

6 4 7

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	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.*	Draft Report				June 2026 (now September 2026)	
23	Market Towns Programme	Final Report – Reasonable Assurance	0	2	3	March 2026 (now June 2026)*	June 2026
24	Effectiveness of CDIO Role	Final Report – Reasonable Assurance	1	0	0	March 2026 (now June 2026)*	June 2026
25	ICT Budget Management and Efficiency Savings (replaces AI)	Final Report – Minimal Assurance	7	4	6	June 2026	June 2026

* This report has been issued in draft, but we are awaiting a response from management to agree the action owners and dates.

APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2026/27

Assignment	Status / Opinion issued / Start date	Actions agreed			Target CGC	Actual CGC meeting
		H	M	L		
1 Recruitment and Retention	Draft Report issued				September 2026	
2 Licensing and Environmental Health	Fieldwork in progress				September 2026	
3 Data Quality – Human Resources	Fieldwork in progress				September 2026	
4 Health and Safety	Fieldwork in progress				September 2026	
5 Mandatory Training	June 2026				September 2026	
6 Debt Management	June 2026				September 2026	
7 Transformation Follow Up	July 2026				November 2026	
8 Capital Expenditure Follow Up	July 2026				November 2026	
9 Creditor Payments Follow Up	August 2026				November 2026	
10 General Ledger Follow Up	September 2026				November 2026	
11 Insurance	September 2026				November 2026	
12 Disabled Facility Grant (DFG) Verification	September 2026				November 2026	
13 Business Continuity	October 2026				January 2027	
14 Preparedness for LGR	November 2026				January 2027	
15 Safeguarding	December 2026				January 2027	
16 Community Health and Wealth Fund	January 2027				March 2027	
17 ICT Budget Management Follow Up	January 2027				March 2027	
18 Risk Management	January 2027				March 2027	
19 IT Disaster Recovery	February 2027				June 2027	
20 Full Follow Up	February 2027				June 2027	

APPENDIX B: OTHER MATTERS

For the 2026/27 plan, we are in the process of scoping audits and agreeing timeframes with management. At the March 2026 meeting we submitted a draft and oversubscribed internal audit plan. We can confirm that the following audits have been removed from 2026/27 programme of work following discussions with management as these were not deemed slightly lower priority areas for 2026/27. These areas will be reconsidered as part of the 2027/28 internal audit planning process and kept under review during the next few months:

- Car Parking Enforcement
- Sickness Absence Management
- Planning – Conservation and Specialists Team

There have been no changes to the 2025/26 Internal Audit Plan since the last meeting.

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

Note	Auditable area	Reason for change
1	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.
2	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.
3	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.
4	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.
5	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

Please refer to our separate agenda items covering this matter.

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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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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