



## HUNTINGDONSHIRE DISTRICT COUNCIL

Annual Internal Audit Report for the year ending 31 March 2026

9 June 2026

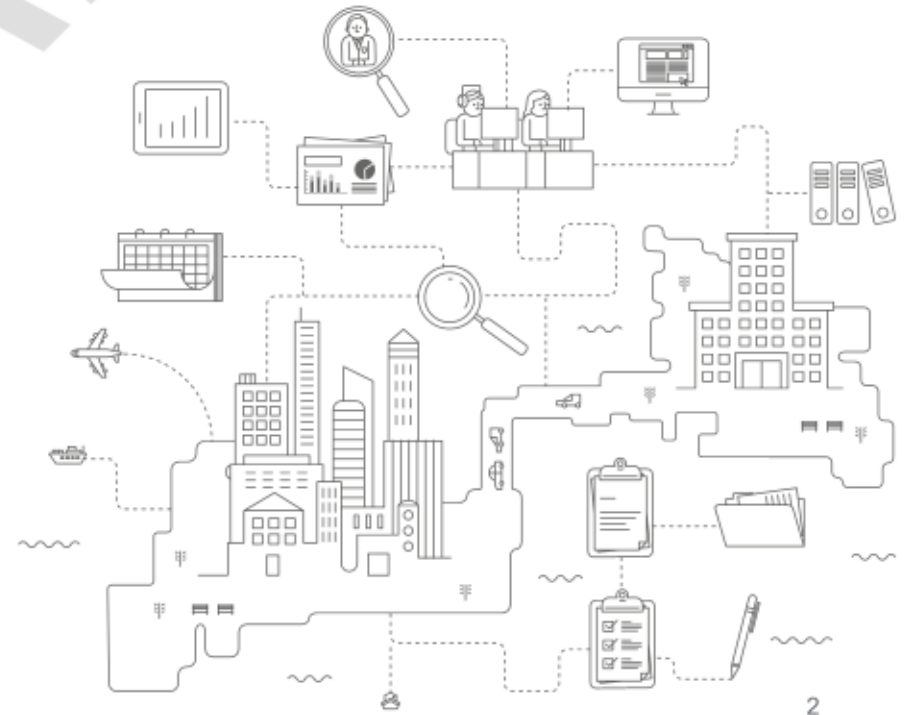
This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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# THE ANNUAL INTERNAL AUDIT OPINION

The annual internal audit opinion is based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. For the 12 months ending 2025/26 the head of internal audit opinion for Huntingdonshire District Council is:

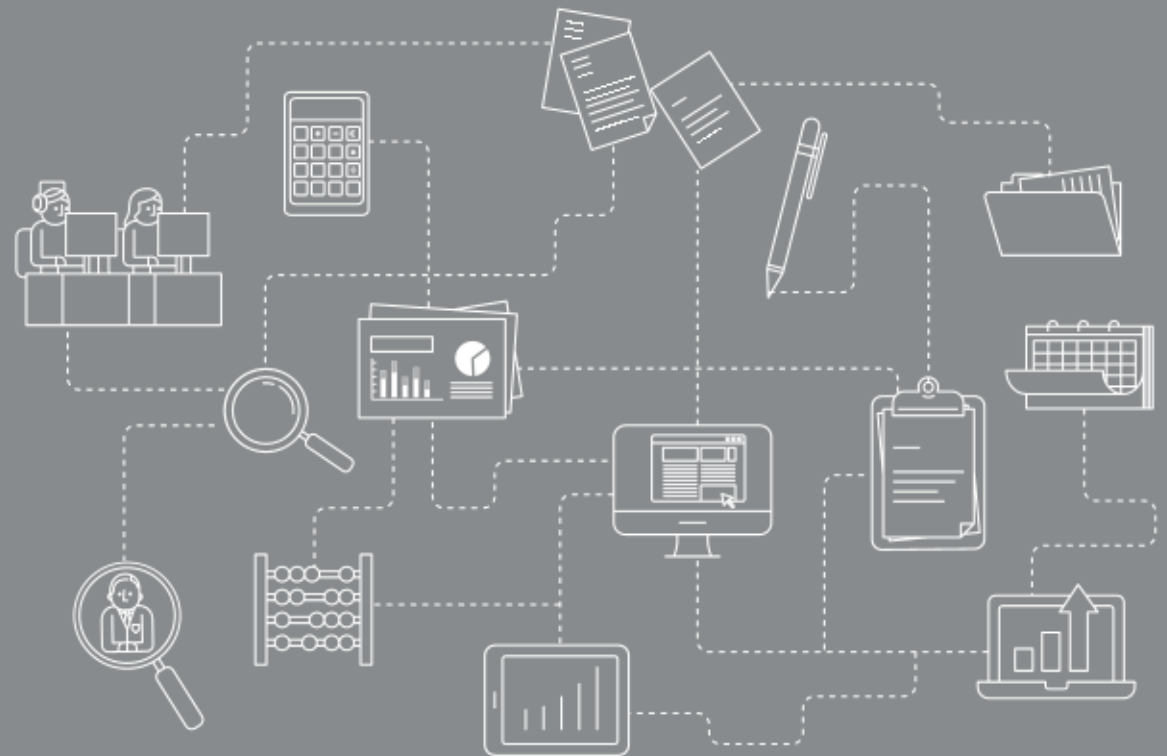
Annual opinion			Factors influencing our opinion
<b>Governance</b>  <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p> <p>However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p> <p>+</p>	<b>Risk Management</b>  <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p> <p>However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p> <p>+</p>	<b>Internal Control</b>  <p>There are weaknesses in the framework of governance, risk management and internal control such that it could become inadequate and ineffective.</p> <p>-</p>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none"><li>• inherent risk in the area being audited;</li><li>• limitations in the individual audit assignments;</li><li>• the adequacy and effectiveness of the risk management and / or governance control framework;</li><li>• the impact of weaknesses identified;</li><li>• the level of risk exposure; and</li><li>• the response to management actions and timeliness of actions taken.</li></ul>



It remains management's responsibility to develop and maintain a sound system of risk management, internal control, and for the prevention and detection of errors, loss or fraud. The work of internal audit is not and should not be seen as a substitute for management responsibility around the design and effective operation of these systems.

# Scope and Limitations

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# 1 SCOPE AND LIMITATIONS OF OUR WORK

The formation of our draft opinion is achieved through a risk-based plan of work, agreed with management and approved by the Corporate Governance Committee, our opinion is subject to inherent limitations, as detailed below.



- Internal audit has not reviewed all risks and assurances relating to the organisation.
- The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the board takes into account in making its annual governance statement (AGS) to the Corporate Governance Committee.
- The opinion is based on the findings and conclusions of the agreed work which was limited to the area under review and agreed with the lead individual.
- Where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance.
- Due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.
- The matters highlighted in this report represent only the issues we encountered during our work. It is not an exhaustive list of all weaknesses or potential improvements. Management remains responsible for maintaining a robust system of internal controls, and our work should not be the sole basis for identifying all strengths and weaknesses.
- This report is prepared solely for the use of the board and senior management of the Council.

# Informing Our Opinion

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## 2 FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

A summary of internal audit work undertaken, and the resulting conclusions, is provided at Appendix A.

### Background

RSM were appointed on 20 January 2025 to initially support the Council in Q4 2024/25 with the delivery of some audits, support the in-house internal audit team, determine the status of the 2024/25 internal audit plan and provide an annual report for 2024/25. We had already concluded on our appointment, based on the independent EQA readiness assessment report, commissioned by the Council, and the gaps identified that the in-house internal audit team had not fully met the Public Sector Internal Audit Standards (PSIAS) in 2024/25. We noted that recent years had resulted in various limitation of scope position statements within the Council's annual reports.

For 2024/25 we concluded that a professional opinion on governance, risk management and internal control processes for the 2024/25 financial year as required by the PSIAS could not be provided. There was insufficient internal audit coverage that would comply with those standards to conclude on the adequacy and effectiveness of the Council's arrangements in 2024/25.

The Council has made significant progress with ensuring that sufficient internal audit work has been completed during the 2025/26 financial year. This is the first full year of our internal audit provision, and we are pleased to report that we can provide a full Head of Internal Audit Opinion on governance, risk management and internal control. All internal audit work complies with the Global Internal Audit Standards (GIAS) and both RSM, in-house team members, and the Corporate Leadership Team (CLT) have actively worked to ensure internal audit work is completed in accordance with the agreed schedule.

We have found that members of the CLT and Heads of Service have engaged pro-actively with internal audit throughout the financial year. CLT members have attended scoping meetings to plan internal audit work, attended debrief meetings to discuss findings and responded in a timely manner to finalise internal audit reports.

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[Our opinions on governance, risk management and internal control are detailed here:](#)

### Governance

Our opinion on governance has been informed by a number of the reviews listed below which considered aspects of the governance framework in place across the Council in 2025/26. We provided a reasonable assurance opinion in respect of Democratic Services. This review had concluded that key forums provided sound governance arrangements for the Council, and committee papers were issued in a timely manner, regular meetings were established with appropriate minute taking.

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We have also attended the Corporate Governance Committee throughout the financial year, and we have observed that the committee has functioned effectively, applying challenge to internal audit findings and outcomes, risk management arrangements and management action tracking updates. They have also held management and CLT members to account for the outcomes of our internal audit work, and progress in addressing the actions agreed.

We have attended the CLT meetings on a monthly basis and observed that the forum has been meeting regularly, considered updates on risk, internal audit, finance, complaints and other governance related matters.

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## Risk Management

Our opinion on risk management has been derived from our advisory review into the risk management arrangements at the Council completed in quarter four of 2025/26. Whilst the review was advisory in nature (no formal assurance opinion), we have concluded that processes for risk identification, assessment and monitoring have significantly improved during 2025/26. Overall, controls were largely adequately designed and complied with in practice. We agreed a set of management actions for improvement to further embed new processes. Work was required to improve risk management arrangements at an operational and directorate level.

Our risk management opinion has also been informed by a number of the risk-based internal audit reviews, whilst we have also used our attendance at the Corporate Governance Committee to further inform our opinion, where risk management is a regular agenda item, and risks are regularly presented, discussed and challenged.

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## Control

We have qualified the annual opinion in relation the internal control. This is due to the number of negative (partial and minimal) internal audit opinions issued during 2025/26. We have issued the following reports with partial assurance conclusions that related to key areas and systems.

- Human Resources – Recruitment and Retention
- Capital Expenditure
- Data Quality and Performance
- Transformation
- Contract Management
- Procurement
- Creditor Payments

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- General Ledger.

We have issued the following minimal assurance report:

- ICT Budget Management and Efficiencies

We have also issued two advisory reviews that had highlighted some significant actions in 2025/26:

- Capacity Planning
- Data Protection

We have issued two **Follow Up reports** that have focused on progress made by management to implement with respect to both high and medium priority management actions arising from reports with negative assurance opinions in the 2024/25 and 2025/26 plans. Whilst our part one Follow Up report provided a **reasonable progress** (positive) opinion. Our part two Follow Up found that of the 19 management actions followed up, five of the six high actions were marked as implemented, and one was in progress. Of the 13 medium priority actions, six had been implemented, one superseded, four were 'being implemented' and two had not been implemented.

It should be noted that at the time of the part two Follow Up (concluded in April 2026), from the eight partial assurance reviews and two advisory reviews with some critical actions, 28% of the 92 actions had been self-assessed by the Council as 'not having started' or 'in progress'. 66 actions had been self-assessed as implemented, with 26 still outstanding.

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**We issued one **Minimal Assurance** opinion in the following area:**

**ICT Budget Management and Efficiency Savings – Minimal Assurance**

We completed this review following request from the CDIO. We identified a number of weaknesses which had resulted in the agreement of seven high, four medium and six low priority management actions. The findings from this report were restricted.

**We have issued eight **Partial Assurance** opinions in the following areas:**

**Capital Programme – Partial Assurance**

The audit identified control design weaknesses and instances of non-compliance with the control framework, resulting in the agreement of seven medium-priority and two low-priority management actions.

There was a lack of comprehensive, up-to-date and accessible documentation governing the capital programme. This included gaps in the procedures for capital bid approvals, managing in-year capital additions, record keeping and ongoing monitoring. There was no formal framework for evaluating capital bids strategically, and the capital bid form lacked a designated field to evidence review and approval mechanisms. Of five 2025/26 capital bids sampled, one did not have a completed capital bid form. Our testing also raised concerns about the timeliness and traceability of TechOne account disablement, posing a potential risk to system security.

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Testing did not identify any issues related to the capitalisation of expenditure. Similarly, our review of a sample of projects confirmed that business cases for capital spend had been appropriately approved, despite their being no central repository for business cases. Monitoring of capital expenditure variances was in place, with over- and underspends reported to Cabinet quarterly along with relevant explanations.

#### **Contract Management – Partial Assurance**

We noted a number of areas where the control framework required improvement. Training materials for contract management were available to staff via the Intranet, however no formal training sessions had yet been held despite the Procurement Act 2023 coming into force in February 2025. There was an aim to deliver training from August 2025. Furthermore, while the contract register provided details on each contract, 294 out of the 570 contracts recorded had expired at the time of the review. In a number of cases, the start and end dates in the contract did not align with the dates recorded within the register. There was also a need to ensure that the register was updated and made visible to budget holders to enable them to update the system.

Additionally, we found one instance where key performance indicators had not been reported on to the relevant supplier contract management meeting.

We confirmed the Council had some areas where the controls were operating effectively. Of the finalised contracts reviewed, in both cases, the contract was retained by the Council, and the contract was signed off in line with the Constitution. Furthermore, the contract database outlined the details of each contract, including quote title, department and estimated value, as well as an audit trail of the actions taken for managing each contract.

#### **Creditor Payments – Partial Assurance**

We identified a number of weaknesses that led to the agreement of in two high, nine medium and one low priority management actions. The findings from this report were restricted.

#### **Data Quality and Performance – Partial Assurance**

This audit had identified control weaknesses relating to data quality and performance reporting, resulting in one high priority, four medium and three low priority management actions. The high priority finding related to gaps in the Performance Management Framework (PMF) and the absence of a Data Quality Framework. The PMF did not clearly outline the annual target setting process, including who was responsible for reviewing and approving targets. It also lacked clarity on document ownership and review cycles. These gaps presented a governance risk, as inconsistent approaches to performance and data management could lead to unreliable reporting and undermine effective decision-making. A combined action had been agreed to update and strengthen the PMF, incorporating data quality requirements into a single, integrated framework.

We also identified that the Terms of Reference (TOR) for the OPE Board contained an outdated list of attendees, despite the document being dated May 2025. This reduced clarity around governance and accountability. An action had been agreed to review and update the TOR, introducing version control and formal approval processes. Despite this issue, OPE Board meetings were found to be taking place as scheduled and were supported by formal agendas and minutes.

Our reconciliation of performance data in reports back to source records found data quality discrepancies for two of the PIs.

#### **General Ledger – 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 had 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

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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.

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

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

#### **Human Resources – Recruitment and Retention – Partial Assurance**

Our review identified areas of control design weaknesses and are areas of non-compliance with regard to the management of recruitment and retention, which resulted in the agreement of one high, five medium and one low priority management actions. Areas of poor control design included the Council not having a Retention Policy in place. Contracts signed by new starters were not signed and dated. Recruitment KPIs such as offer acceptance rate were not collated or reported on. The Recruitment and Selection Policy was significantly out of date (2014), which resulted in the policy document being misaligned to the Recruitment Process Guide for Hiring Managers. Through sample testing, we noted that Interview Assessment Forms and Shortlisting Matrices were not always completed and retained.

We did, however, confirm some well-designed controls in place regarding recruitment and retention. Sample testing of the recruitment process confirmed that all individuals had Vacancy Authorisation Forms (VAF) completed and approved, job descriptions posted which reconciled to the VAF, completed application forms and CVs, pre-employment checks correctly completed in line with the Post Information spreadsheet and contracts of employment were retained. Our review also confirmed that controls were being developed to implement training for Hiring Managers on the recruitment process and retention initiatives to reduce employee turnover.

#### **Procurement – Partial Assurance**

Our review identified several control weaknesses which had resulted in the agreement of one high, four medium and six low priority management actions. These included testing confirming that the procurement process was not being followed consistently or evidenced with documentation. The published version of the Code of Procurement had not been updated in time for the new legislation (Procurement Act 2023), although we noted that the Procurement Lead had a working copy that was being updated and was provided as part of the audit to ensure alignment with legislation. Also, the waiver process was not being consistently followed as we noted these were very low in number. Whilst the Council has developed numerous processes to meet the requirements of the Procurement Act 2023, the framework was not yet fully embedded. We recognised that the organisation was on an improvement journey and was actively working to embed changes. However, of particular concern was our sample testing of nine payments less than £50k where there were six instances where sufficient written quotations were not held and waivers had not been documented. In addition, there were no checks completed by the Procurement Team to provide oversight of this process, so they were unaware of this spend.

We did, however, find some controls in place including for Direct Award and process maps with clear responsibilities for the different agents like Service Leads, Procurement Leads and IT. We also found that the Procurement Board was meeting regularly since March 2025 although there were also issues with a lack of administrative support to the Procurement Board in the early stages which meant minutes were not consistently produced and shared with key stakeholders. We noted that the new Monitoring Officer had introduced a new house style for minute taking and action recording and recently launched a new approach to administration of the forum.

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## Transformation – Partial Assurance

Management was concerned that there was inconsistency in how projects follow guidance and templates, and as a result, wanted to understand how controls could be improved. Our review identified areas of control design weaknesses and there were areas of non-compliance relating to the management of the Transformation Programme, which resulted in the agreement of one high, eight medium and two low priority management actions.

Areas of poor control design included the absence of standardised project management processes and the lack of a project management system in place to aid in the PMO's oversight and Project Managers' management of projects. Furthermore, the Transformation Plan lacked a strategic, top-down planning approach, with projects primarily being initiated and developed at the service level. The current project monitoring framework does not include a live dashboard, which could aid in real-time visibility of project status, progress, and risks.

Sample testing identified areas of non-compliance with expected project documentation standards. Several projects lacked key documentation, such as Business Cases, Project Initiation Documents, Financial Assessments, Project Risk Registers, regular progress reporting to the PMO, clearly defined financial implications and cost estimates and completed Benefit Realisation Plans.

We confirmed some well designed controls were in place surrounding the approval of the Transformation Programme by service managers, HOS and Directors, and the planned approval by the Corporate Leadership Team following a governance review led by the Corporate Director (Communities). Review of the Transformation Programme also confirmed that it incorporated the eight recommendations provided to the Council by the Local Government.

### We have issued eight **Reasonable Assurance** (positive) opinions in the following areas:

- Business Rates
- Chief Digital and Information Officer
- Complaints and Compliments Management
- Council Tax
- Democratic Services
- Housing Benefits
- Market Towns Programme
- Payroll

### We have issued one **Substantial Assurance** (positive) opinion in the following areas:

- Workforce Development Strategy

### We also issued the following two **Advisory** reviews which did not identify any significant weaknesses:

- Risk Management
- IT Remediation Review

As well as the headline findings discussed above, the following areas have helped to inform our opinion.



### Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2025/26. One report is in draft.



### Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the Corporate Governance Committee, with the validation of the action status confirmed by internal audit on rolling basis.

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **reasonable progress** in implementing the agreed actions in part one, part two follow up found five (of six) high actions were implemented, and one was in progress. Of the 13 medium priority actions, six had been implemented, one superseded, four were being implemented and two had not been implemented (Draft Report).

Of the 32 actions followed up as part of the part one and part two follow up reviews, 10 actions remained overdue (31%) at the time of drafting this report, with 22 actions implemented (69%).

It should be noted that at the time of the second follow up review, from the eight partial assurance reviews and two advisory reviews with some critical actions, 28% of the 92 actions had been self-assessed by the Council as 'not started / in progress'. 66 actions had been self-assessed as implemented, with 26 still outstanding.



### Working with other assurance providers

In forming our opinion, we have not placed any direct reliance on other assurance providers.



### Topics judged relevant for consideration as part of the annual governance statement

Based on the work we have undertaken on the Council's system on internal control, we consider that the Council need to reference the qualification to the 'control' opinion in the AGS. We would also expect the Council to consider in the formulation of the AGS the internal control weaknesses identified within the minimal and partial assurance reviews mentioned above, and if any of these constitute significant governance issues. The Council should also reference the actions already taken and being taken to address the issues identified.

In addition, emerging Local Government Re-organisation presents a future risk with potential implications for governance structures, accountability arrangements and partnership working. Whilst this does not directly affect the 2025/26 head of internal audit opinion, it will require proactive oversight and clear transition planning to manage governance complexity and maintain effective controls as reforms progress.

## Themes arising from control observations

We identify below the key themes arising from control observations from the 2025/26 internal audit plan. Overall, our observations related to a wide variety of theme categories. The most common theme is in relation to the design of the control frameworks reviewed. We also found issues relating to the following areas:

- Review and update of policies and procedures
- Non-compliance with policies and procedures
- Record keeping and reporting
- Action tracking and follow up
- Management or performance information
- Training and awareness
- Project management.

## Direction of travel

The Council has received our third line opinion for 2025/26 'Weaknesses Identified' in relation to the Controls element of the opinion. The most common level opinion issued by RSM in the sector is a second line positive opinion 'Further Enhancements', and this was achieved by the Council in relation to Governance and Risk Management. The opinion for 2025/26 highlights that there are weaknesses in the framework for control, such that it could become inadequate and ineffective. It should however be noted that the Council directed the internal audit coverage in 2025/26 at a number of key risk related areas and therefore some of the negative opinions were expected.

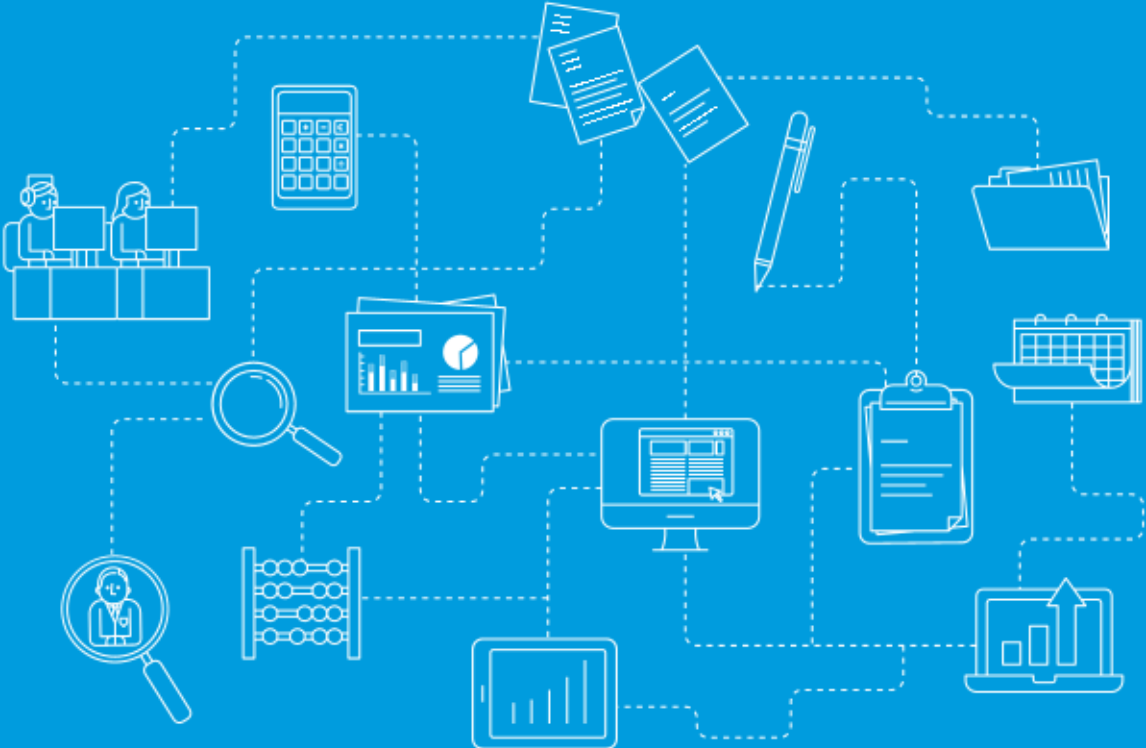
The Council received a disclaimer annual head of internal audit opinion for 2024/25 financial year primarily due to a lack of delivery of internal audit and several cancelled internal audits, as well as internal audit work that did not meet Public Sector Internal Audit Standards and GIAS prior to our appointment in January 2025. The Council received six negative assurance opinions, two critical advisory reviews, five reasonable assurances and two reports without an opinion for 2024/25. A total of 81 recommendations were made in 2024/25 (18 low, 49 medium and 14 high).

For 2025/26, the Council has received nine negative opinions (one minimal and eight partial). We agreed to a total of 160 management actions (62 low, 81 medium and 17 high). Whilst the number of negative opinions and the number of actions have increased between years, this was always a possibility given the increased number of internal audits delivered in 2025/26, and the risk driven focus of these reviews. In conclusion, there are a number of positives to take from the direction of travel in 2025/26:

- a. A fully compliant internal audit service with the GIAS.
- b. A risk based plan targeted at areas of known risk.
- c. Deeper dive audits into areas not audited in recent years.
- d. Positive opinion on the risk management and governance related elements of the overall opinion.
- e. Delivery of all fieldwork by 31 March 2026 and the use of a range of specialists within the plan.
- f. Training, mentoring and effective leadership of the in-house internal audit team.

# Our Performance

# 03



### 3.1 Wider value adding delivery

Area of work	How has this added value?
<b>Publications, articles, and reports</b>	<p>We have issued a number of publications in year, shared with management and CGC members as part of our reporting, including:</p> <ul style="list-style-type: none"> <li>• Driving Value from Artificial Intelligence</li> <li>• Quality Assurance and Improvement Programme.</li> </ul>
<b>Training and Support for In-House Team</b>	<p>We have held weekly meetings with the in-house internal auditors to ensure timely delivery of audit fieldwork. We have also provided tailored training to both individuals and on the job support to ensure audit work meets Global Internal Audit Standards and team members are supported and mentored.</p>
<b>Corporate Leadership Team</b>	<p>We have attended the CLT on a monthly basis to present updated on the latest findings from internal audit work, themes, discuss emerging risks and flex our delivery to react to any emerging issues and risks.</p>
<b>Monthly Highlight Reporting</b>	<p>We have issued a monthly internal audit status report to all CLT members that provides updates on completion of internal audit work, any potential impact on our year end opinion and thematic issues.</p>
<b>Heads of Service</b>	<p>We held a session with Heads of Service to set expectations and manage the relationships with these key stakeholders.</p>
<b>Corporate Governance Committee</b>	<p>We contribute to the discussions at the CGC on various items on the agenda in order to ensure that the Council benefits from our wider experience and input in further developing its governance, control and risk management arrangements.</p>
<b>RSM's Emerging Risk Radar</b>	<p>We provided our Autumn 2025 and Spring 2026 Emerging Risk Radar documents, which analysed the responses from board members and professional advisors in relation to emerging events or threats that could impact a business either negatively or positively. In our latest update, emerging risks were highlighted in relation to geo-political instability, cyber-attacks increasing and AI governance lag.</p>
<b>Best Practice</b>	<p>Throughout our work, where appropriate, we have shared best practice across the sector in our recommendations of improvements to control.</p>
<b>Use of Specialists</b>	<p>We have utilised specialists to support the delivery of the internal audit plan throughout 2025/26, for example the use of technology risk specialists in the IT related audits.</p>
<b>1:1 meetings / discussions</b>	<p>Throughout the year we have continued to liaise with management as part of our core service. This has been based around meetings with our key contacts, the Chief Executive, Interim S151 Officer, and Monitoring Officer. In addition, the Head of Internal Audit meets on a quarterly basis and provides updates to the Lead Member for Governance.</p>

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### 3.2 Conflicts of interest

We provide risk management software (Insight4GRC) to the Council. Our work was completed under separate Letters of Engagement and had been independently undertaken by separate management teams and partners, independent of the internal audit team. We considered any potential conflict ahead of undertaking the internal audit engagement and concluded that any potential conflict could be effectively managed. Therefore, we do not consider any conflicts of interests need to be declared. Internal audit therefore remains independent in delivering the audit plan during 2025/26.

### 3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Global Internal Audit Standards.

In accordance with the standards, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA.

The external review concluded that RSM 'generally conforms\*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

\* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

**It should be noted that this section only applies to the work delivered by RSM and that we cannot confirm compliance with PSIAS for the non-RSM work.**

### 3.4 Quality assurance and continual improvement

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

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2025/26. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

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

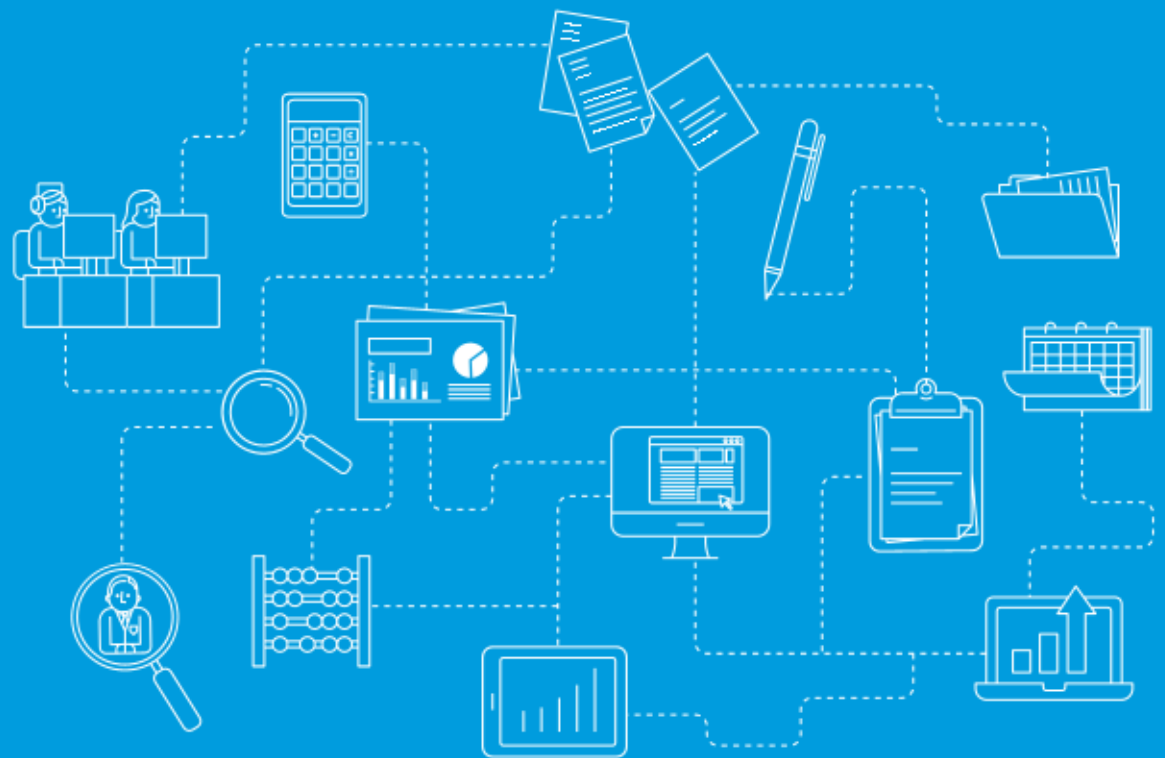
### 3.6 Performance indicators

<b>Delivery</b>	<b>Target</b>	<b>Performance</b>	<b>Quality</b>	<b>Target</b>	<b>Performance</b>
Audits commenced in line with original timescales*	Yes	Yes	Conformance with IIA Standards	Yes	Yes
Draft reports issued within 10 days of debrief meeting	100%	91%	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes
Management responses received within 10 days of draft report	100%	87%	Response time for all general enquiries for assistance	2 working days	2 working days
Final report issued within 3 days of management response	100%	100%	Response for emergencies and potential fraud	1 working days	N/A

\*This takes into account changes agreed by management and the CGC during the year; reflecting our 'agile' / 'flexible' approach to our service delivery.

# Appendices

# 04



## APPENDIX A: SUMMARY OF INTERNAL AUDIT WORK COMPLETED

All of the assurance levels and outcomes provided below should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Review delivered by In-House Team / RSM	Opinion issued	Actions agreed		
				L	M	H
ICT Budget Management and Efficiency Savings	Chief Digital and Information Officer	RSM	Minimal	6	4	7
Capital Programme	Interim Section 151 Officer	In-House Team	Partial	2	7	0
Contract Management	Head of Democratic Services and Monitoring Officer	In-House Team	Partial	1	5	1
Creditor Payments	Interim Section 151 Officer	In-House Team	Partial	1	9	2
Data Quality and Performance Management	Corporate Director (Finance and Resources)	In-House Team	Partial	3	4	1
General Ledger	Interim Section 151 Officer	In-House Team	Partial	6	6	0
Human Resources – Recruitment and Retention	Corporate Director (Finance and Resources)	RSM	Partial	1	6	1
Procurement	Head of Democratic Services and Monitoring Officer	RSM	Partial	6	4	1
Transformation	Corporate Director (Communities)	RSM	Partial	1	8	2
Business Rates	Corporate Director (Communities)	In-House Team	Reasonable	3	1	0
Chief Digital and Information Officer	Chief Digital and Information Officer	RSM	Reasonable	0	0	1
Complaints and Compliments Management	Corporate Director (Communities)	RSM	Reasonable	2	4	0
Council Tax	Corporate Director (Communities)	In-House Team	Reasonable	7	1	0
Democratic Services	Head of Democratic Services and Monitoring Officer	In-House Team	Reasonable	4	1	0
Housing Benefits	Corporate Director (Communities)	In-House Team	Reasonable	7	0	0
Market Towns Programme	Corporate Director (Place)	In-House Team	Reasonable	3	2	0
Payroll	Interim Section 151 Officer	RSM	Reasonable	1	4	0

Assignment	Executive lead	Review delivered by In-House Team / RSM	Opinion issued	Actions agreed		
				L	M	H
Follow Up – Part One	Interim Section 151 Officer	RSM	Reasonable Progress	1	2	0
Workforce Development	Chief Executive Officer	RSM	Substantial	1	0	0
Follow Up – Part Two (DRAFT)	Interim Section 151 Officer	In-House Team	n/a	2	5	1
Risk Management	Interim Section 151 Officer	In-House Team	Advisory	2	4	0
Data Protection	Chief Digital and Information Officer	RSM	Advisory	3	4	0
IT Remediation Review	Chief Digital and Information Officer	RSM	Advisory	0	2	0
Disabled Facility Grant (DFG) Verification	Interim Section 151 Officer	In-House Team	Advisory	0	0	0
<b>TOTAL</b>				<b>63</b>	<b>83</b>	<b>17</b>

DRAFT

## APPENDIX B: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:



### 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).



### 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).



### 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).



### 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.

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## 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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