



# HUNTINGDONSHIRE DISTRICT COUNCIL

Internal Audit Progress Report

Corporate Governance Committee – 8 July 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 June 2026, we have finalised the final internal audit report from 2025/26:

- **Follow Up Part Two (2025/26) – Advisory**

**2026/27 Internal Audit Plan** – We have issued the following internal audit report as final since the last meeting:

- **Recruitment and Retention (2026/27) – Reasonable Assurance**

We have held debrief meetings for the following reviews and expect to issue draft reports to be issued shortly:



- 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 one Client Briefing as follows since the last meeting:

- Client Briefing – External Quality Assessment (June 2026) **[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
<b>Follow Up – Part Two (2025/26)</b>				
<p>The Council has made demonstrable positive progress in implementing changes to its processes in response to many internal audit findings from prior years and during 2025/26. However, there have been challenges in delivering all high-priority actions within the originally agreed timescales. In recognition of this, the Council has revisited a number of initial deadlines to ensure that actions are implemented effectively, sustainably and with a focus on achieving the right intended outcomes over the medium term rather than meeting short-term delivery targets alone. This was a decision that was discussed and agreed with the Head of Internal Audit.</p> <p>Engagement with the internal audit process remains strong across the Council, with officers demonstrating a clear commitment to responding to audit requests and information, as well as participating fully in audits. This represents a measurable improvement since January 2025, with more consistent engagement, enhanced responsiveness, and greater ownership being clearly demonstrated. However, there are still areas where the Council can improve controls and risk management.</p> <p>We found that of the 19 management actions followed up in total, nine had been fully implemented and three were superseded, leaving a total 12 actions closed (63%). Regarding the three actions superseded (two high, one medium priority), they were as a result of changes in processes and control arrangements since the original audit, the risks have now been managed in another way and superseded by subsequent audits in 2025/26.</p> <p>Of the six high actions, five were marked as closed (83%). From 13 medium priority actions, six have been fully implemented and one has been superseded (54%,)</p> <p>We marked five actions are 'being implemented' (one high and four medium priority actions). We have agreed a total of seven actions from this review, downgrading actions based on progress where we considered the risk has been mitigated.</p> <p><b>No high priority actions remained.</b></p>	No opinion - advisory	2	5	0
<b>Recruitment and Retention (2026/27)</b>				
<p>Our review identified that recruitment and retention arrangements have continued to improve since the previous audit, with the majority of controls reviewed operating effectively in practice. Testing confirmed that key recruitment controls, including vacancy approvals, recruitment documentation, pre-employment checks, recruitment decision making and contract management, were consistently evidenced across the sample reviewed.</p>	Reasonable Assurance	2	2	0

Assignment	Opinion issued	Actions agreed		
		L	M	H
<p>Recruitment documentation was appropriately retained on personnel files, with offers issued promptly following completion of the Preferred Candidate Form process. Contracts of employment were electronically signed and retained in all cases tested, demonstrating implementation of the revised process introduced following the previous audit.</p> <p>The Council has also developed a more structured approach to recruitment and retention. This includes an updated Recruitment and Selection Policy, structured recruitment training through the Leadership Development Programme, the Workforce Strategy and associated retention initiatives, revised exit questionnaires, and ongoing staff surveys used to capture and respond to employee feedback.</p> <p>Some opportunities remain to further strengthen governance and audit trail arrangements. This relates mainly to formal policy approval arrangements, ensuring documented reference requirements align to operational practice, and ensuring evidence of approval to proceed without references is retained prior to employment commencing. There is also an opportunity to further develop how exit questionnaire information is reviewed and used to support retention activities.</p> <p>Overall, the review identified two medium and two low priority management actions to further strengthen the control environment.</p> <p><b>No high priority actions.</b></p>				

# Appendices

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## APPENDIX A: COMPLETION OF THE INTERNAL AUDIT PLAN 2025/26

Assignment	Status / Opinion issued / Start date	Actions agreed			Target CGC	Actual CGC meeting
		H	M	L		
Follow Up – Part 2	Final Report – Advisory	0	5	2	July 2026 (was June 2026)	July 2026

## APPENDIX B: 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	Final Report – Reasonable Assurance	0	2	2	July 2026	July 2026
2 Licensing and Environmental Health	Debrief held				July 2026	
3 Data Quality – Human Resources	Debrief held				July 2026	
4 Health and Safety	Debrief held				July 2026	
5 Business Continuity	July 2026				September 2026	
6 Debt Management	July 2026				September 2026	
7 General Ledger Follow Up	August 2026				November 2026	
8 Capital Expenditure Follow Up	August 2026				November 2026	
9 Creditor Payments Follow Up	August 2026				November 2026	
10 Transformation Follow Up	September 2026				November 2026	
11 Insurance	September 2026				November 2026	
12 Disabled Facility Grant (DFG) Verification	September 2026				November 2026	
13 Mandatory Training	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 C: OTHER MATTERS

### External Quality Assessment

RSM operates in accordance with the Global Internal Audit Standards (GIAS), which require internal audit to undertake an External Quality Assessment (EQA) at least once every five years. Our last assessment in 2021 achieved the highest rating of "generally conforms". Our next EQA is scheduled to commence in October 2026.

Since our last EQA, the Institute of Internal Auditors (IIA) has issued new standards, effective from January 2025. The new GIAS 8.4 states that: "The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team."

Our EQA approach aligns with the Chartered IIA guidance for multi-client providers.

- We will commission an external assessor to perform a review of the design of our internal audit methodology, and arrangements to meet the GIAS. The review will cover all 15 Principles and 52 Standards across the Domains of the GIAS, from a design perspective.
- Our EQA will review the design of our arrangements to meet the requirements of the Application Note, Global Internal Audit Standards in the UK Public Sector.
- Following the assessment, RSM will receive detailed feedback and will share a high-level conformance statement of the results with clients.

We will appoint an external independent, qualified assessor through a competitive tender process during the summer. To discuss EQAs further or our approach in more detail, please contact your Head of Internal Audit.

Further detail on our approach is available in our client briefing External Quality Assessment.

For the 2026/27 plan, we have agreed some minor changes to the scheduling of internal audits, following discussions with management. This includes the BCP internal audit being brought forward to July 2026, the Mandatory Training audit moving back to October 2026, the Transformation Follow Up moving to September 2026 and the General Ledger Follow Up moving forward to August 2026.

### Detailed below are the changes to the 2026/27 plan previously reported to the Committee

Note	Auditable area	Reason for change
1	IA Plan 2026/27	<p>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:</p> <ul style="list-style-type: none"><li>• Car Parking Enforcement</li><li>• Sickness Absence Management</li></ul>

Note	Auditable area	Reason for change
		<ul style="list-style-type: none"> <li>Planning – Conservation and Specialists Team</li> </ul>

#### Head of Internal Audit opinion 2026/27

We have issued no negative opinions to date from our final reports. We will continue to update the CEO, S151 Officer, other CLT members, and the CGC as and when reports are issued and if there is any potential impact to the year-end opinion.

#### 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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