



Three Rivers District Council  
Audit Committee  
24 March 2026

Shared Internal Audit Service –  
2025/26 Internal Audit Plan Progress Report

Recommendations

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 6 March 2026
- Approve the Internal Audit Plan changes
- Agree removal of implemented audit recommendations set out in Appendix C
- Note the implementation status of all other internal audit recommendations in Appendix D.

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# 1. Introduction and Background

## Purpose of Report

- 1.1 This report details:
- a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's annual audit plan for 2025/26 as at 6 March 2026.
  - b) Proposed amendments to the approved 2025/26 Annual Audit Plan.
  - c) Implementation status of all previously agreed audit recommendations from 2024/25 onwards.
  - d) An update on performance management information as at 6 March 2026.
  - e) The GIAS briefing paper in Appendix 6 as to the Global Internal Audit Standards – Domain III.

## Background

- 1.2 The work of internal audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.
- 1.3 The 2025/26 Annual Audit Plan was approved by Audit Committee on 25 March 2025.
- 1.4 The Audit Committee receives periodic updates on progress against the Annual Audit Plan from SIAS. This is the third report giving an update on the delivery of the 2025/26 Internal Audit Plan.

# 2. Audit Plan Update

## Delivery of Audit Plan and Key Audit Findings

- 2.1 At 6 March 2026, 91% of the 2025/26 Audit Plan days had been delivered. Appendix 1 provides a status update on each individual deliverable within the audit plan.
- 2.2 There have been five final audit reports issued since the previous progress report issued in November 2025:

<b>Audit Title</b>	<b>of Issue</b>	<b>Assurance Level</b>	<b>Number and Priority of Recommendations</b>
Rent Deposit Guarantee Scheme	16/02/2026	Reasonable	1 Medium and 2 Low

<b>Audit Title</b>	<b>of Issue</b>	<b>Assurance Level</b>	<b>Number and Priority of Recommendations</b>
Geographic Information System	26/02/2026	Reasonable	2 Low, 1 Advisory
Risk Management	26/02/2026	Reasonable	2 Low, 1 Advisory
Property Resilience	05/03/2026	Reasonable	2 Medium, 2 Low
Payroll 2025/26	07/03/2026	Reasonable	1 Medium, 1 Low

#### All Priority Audit Recommendations

2.3 Audit Committee Members will be aware that a Final Audit Report is issued when agreed by Management. This includes an agreement to implement the recommendations made. It is SIAS's responsibility to bring to Members' attention the implementation status of recommendations; it is the responsibility of officers to implement the recommendations by the agreed date.

2.4 The table below summarises progress in implementation of all outstanding internal audit recommendations as at 6 March 2026, with full details given in appendices 3 to 4

<b>Year</b>	<b>Number of Medium and High Recommendations made</b>	<b>Total Number of Outstanding Recommendations</b>	<b>Not yet due</b>	<b>Overdue &amp; a revised implementation date provided</b>	<b>No update received</b>	<b>Percentage implemented %</b>
2023/24	39	0	0	0	0	100%
2024/25	35	3	3	0	0	91%
2025/26	4	4	4	0	0	0%

2.5 Since the November 2025 Audit Committee no extension to implementation dates have been requested by action owners.

#### Proposed 2025/26 Audit Plan Amendments

2.6 There have not been any changes to the Audit Plan since the previous progress report issued in November 2025.

#### Reporting of Audit Plan Delivery Progress

2.7 To help the Committee assess the current position in terms of progress against the projects in the 2025/26 Audit Plan, an analysis of agreed start dates is shown at Appendix 2. Dates have been agreed with management and resources allocated accordingly.

2.8 The 2025/26 annual performance indicators and targets were approved by the SIAS Board in March 2025. Actual performance for Three Rivers District Council (including the Shared Services Plan) against the targets that are monitored in year is set out in the table below.

Performance Indicator	Annual Target	Profiled Target to 6 March 2026	Actual to 6 March 2026
<b>1. Planned Days</b> – percentage of actual billable days against planned chargeable days completed (excludes unused contingency)	95%	90% (185 / 204 days)	91% (185 / 204 days)
<b>2. Planned Projects</b> – percentage of actual completed projects to draft report stage against planned completed projects by 31 <sup>st</sup> March 2025	90%	74% (14 out of 19 projects to draft)	63% (12 out of 19 projects to draft)
<b>3. Client Satisfaction</b> – percentage of client satisfaction questionnaires returned at 'satisfactory overall' level (minimum of 39/65 overall)	90%	90%	100% (based on one questionnaire received in 2025/26) from nine sent
<b>4. Number of Critical and High Priority Audit Recommendations agreed</b>	95%	95%	No Critical or High Priority Audit Recommendations made to date in 2025/26

2.9 In addition, the performance targets listed below are annual in nature. Performance against these targets will be reported on in the 2025/26 Head of Assurance's Annual Report:

- **5. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee. If there is no March meeting, then the plan should be prepared for the first meeting of the financial year.
- **6. Planned Projects** - percentage of actual completed projects to Final report stage against planned completed projects. Reported annually within the Chief Audit Executive's annual report and opinion.
- **7. Chief Audit Executive's Annual Report** – presented at the Audit Committee's first meeting of the civic year.

2.10 We currently report no risks to the delivery of the agreed audit plan, or ability to provide an annual assurance opinion.

Global Internal Audit Standards - Domain III

2.11 A briefing paper on the duties and expectations of the Audit Committee under Domain III of the Global Internal Audit Standards (GIAS) is attached at Appendix 6. The Committee was previously advised about the Standards and that changes were proposed and being implemented. Members should therefore note the guidance provided regarding the duties and expectations of the Audit Committee under Domain III of the GIAS.

**APPENDIX 1 INTERNAL AUDIT PLAN 2025/26 – UPDATE ON POSITION AS AT 6 MARCH 2026**

**2025/26 SIAS Audit Plan**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
<b>Key Financial Systems</b>									
Agency Staffing (Shared Services Plan)						11	Yes	9	In Quality Review
Council Tax (Collection rates and debt management) (Shared Services Plan)						7	Yes	6.5	Draft Report Issued
Creditors Exception Reporting and Data Analytics (Shared Services Plan)						12	Yes	10	In Fieldwork
External Audit Financial Recommendations (not VFM) (Shared Services Plan)						0	Yes	0	Cancelled
Non-Domestic Rates (collection rates and debt management) (Shared Services Plan)						7	Yes	6.5	Draft Report Issued
Payroll - Systems Audit (Shared Services Plan)		0	0	0	1	12	Yes	12	Final Report Issued
Financial Billing (Shared Services Plan)						6	Yes	6	Draft Report Issued
Treasury Management (Shared Services Plan)						8	Yes	7.5	In Quality Review
<b>Operational Audits</b>									
Rent Deposit Guarantee Scheme	Reasonable	0	0	1	1	10	BDO	10	Final Report Issued

**APPENDIX 1 INTERNAL AUDIT PLAN 2025/26 – UPDATE ON POSITION AS AT 6 MARCH 2026**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Property Management Process Resilience	Reasonable	0	0	2	2	10	BDO	10	Final Report Issued
Financial Billing (including Property Services and Temporary Accommodation)						10	Yes	9.5	Draft Report Issued
Leisure – Hire of Grounds						10	Yes	7	In Fieldwork
Watersmeet Theatre						10	Yes	7	In Fieldwork
<b>Corporate Services</b>									
Risk Management	Reasonable	0	0	0	2	10	Yes	10	Final Report Issued
Geographic Information System	Substantial	0	0	0	3	14	BDO	14	Final Report Issued
Business Continuity Planning						6	Yes	4.5	In Fieldwork
<b>Grant Certifications</b>									
SHDF	Unqualified	0	0	0	0	1	Yes	1	Final Report Issued
Fast Followers - Innovate UK Net Zero Living programme	Unqualified	0	0	0	0	1	Yes	1	Final Report Issued
<b>IT Audits</b>									
Cyber Security (Shared Services Plan)						15	BDO	10.5	In Fieldwork
<b>To Be Allocated</b>									
Unused Contingency (Shared Services Plan)						0	N/A		

**APPENDIX 1 INTERNAL AUDIT PLAN 2025/26 – UPDATE ON POSITION AS AT 6 MARCH 2026**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
<b>Follow-Up Audits</b>									
Follow-up of outstanding audit recommendations						8	N/A	8	Complete
<b>Strategic Support</b>									
2026/27 Audit Planning						5	N/A	5	Complete
Audit Committee						8	N/A	7	
Chief Audit Executive Opinion 2024/25						3	N/A	3	Complete
Client Liaison and Plan Monitoring						7	N/A	7	Complete
SIAS Development and Global Internal Audit Standards Implementation						3	N/A	3	Complete
<b>2023/24 Projects Requiring Completion (5 days TRDC plan / 5 days Shared Services Plan)</b>									
Community Safety		0	0	1	1	10	SIAS	10	Final Report Issued
Business Rates		0	0	2	0		SIAS		Final Report Issued
<b>TRDC TOTAL</b>		<b>0</b>	<b>0</b>	<b>5</b>	<b>9</b>	<b>121</b>		<b>112</b>	
<b>SHARED SERVICES TOTAL</b>		<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>83</b>		<b>73</b>	
<b>COMBINED TOTAL</b>		<b>0</b>	<b>0</b>	<b>6</b>	<b>10</b>	<b>204</b>		<b>185</b>	

Key to recommendation priority levels:  
 C = Critical, H = High, M = Medium, L = Low

**APPENDIX 2 2025/26 AUDIT PLAN PROJECTED START DATES**

	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
<b>Audits</b>	Payroll – Systems Audit <b>(Final Report Issued)</b>	Risk Management <b>(Final Report Issued)</b>	Financial Billing (including Property Services and Temporary Accommodation) <b>(Draft Report Issued)</b>	Leisure – Hire of Grounds <b>(In Fieldwork)</b>
	Treasury Management <b>(In Quality Review)</b>	Rent Deposit Guarantee Scheme <b>(Final Report Issued)</b>	GIS <b>(Final Report Issued)</b>	Creditors and GL Exception Reporting <b>(In Fieldwork)</b>
	External Audit Financial Recommendations (not VFM) <b>(Audit Cancelled)</b>	Council Tax (Collection Rates and Debt Management) <b>(Draft Report Issued)</b>	Property Management Resilience <b>(Draft Report Issued)</b>	Watersmeet Theatre <b>(In Fieldwork)</b>
		Non-Domestic Rates (Collection Rates and Debt Management) <b>(Draft Report Issued)</b>	Agency Staffing <b>(In Quality Review)</b>	Business Continuity Planning <b>(In Fieldwork)</b>
<b>IT Audits</b>				Cyber Security <b>(In Fieldwork)</b>
<b>Grants</b>	SHDF <b>Final Report Issued</b>			
	Fast Followers - Innovate UK Net Zero Living programme <b>Final Report Issued</b>			
<b>2024/25 Carry Forward</b>	2024/25 Community Safety <b>Final Report Issued</b>			
	2024/25 Business Rates <b>Final Report Issued</b>			

## APPENDIX 3 OUTSTANDING RECOMMENDATIONS FROM THE 2023/24 AUDIT PLAN

Benefits 2023/24							
Final report issued May 2024							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
01	We recommend that uncollectable housing benefit overpayments are written-off at regular intervals through the year.	Medium	<p>Agreed</p> <p>Position -July 2024 No update received from action owner.</p> <p>Position - September 2024 Agree with the recommendation and we will do these quarterly.</p> <p>Position -November 2024 No update received.</p> <p>Position -February 2025 A review of old debt has started. Before we consider write-offs, we are considering passing suitable debts to an Enforcement agent first.</p> <p>Position - September 2025 No update provided.</p> <p>Position – November 2025 There is a dedicated team currently working through all HB overpayments to ensure collectable overpayments are processed quickly and write off old uncollectable amounts.</p> <p><b>Position – January 2026. In Q4 2025/26 write-offs are being processed which total £65,005.93 for Three Rivers and £228,778.05 for Watford. There is a dedicated team of 4 officers working through the old debt. Each debt is being checked to ensure there are no recovery</b></p>	Revenues Manager	31 July 2024	✓	31/03/26  (Previous deadlines were: 30/09/24 and 30/04/25)

## APPENDIX 3 OUTSTANDING RECOMMENDATIONS FROM THE 2023/24 AUDIT PLAN

<b>Benefits 2023/24</b>							
Final report issued May 2024							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
			<b>options available to us i.e. attachment to benefits, attachment to earnings, payment arrangement with the customer, before the debt is considered for write-off. Some old debt is also being passed to enforcement agents. Further write-offs are being prepared and will be processed each month.</b>				

<b>Sundry Debtors 2023/24</b>							
Final report issued October 2024							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
01	We recommend debts are chased consistently, and the manual intervention process is followed by the Debt Recovery Team to ensure all recovery actions are followed.	Medium	<p>Agreed. The team works through the aged debtors report run at the beginning of each month, to ensure any queries or further recovery action is taken, once the standard recovery processes have completed. There is currently limited action that can be taken, which can vary from one debt type under SD to another. We are looking at this in greater detail during 24/25.</p> <p>Position – November 2024 No update received.</p> <p>Position – February 2025 A review of Sundry Debt work started in February 2025 to establish and agree what work the individual services carry out and what the Recovery Team do. The intention is that individual services will raise a debt and complete the standard admin work around</p>	Revenues Team Leader for SD	31 March 2025	✓	31/03/26

**APPENDIX 3 OUTSTANDING RECOMMENDATIONS FROM THE 2023/24 AUDIT PLAN**

			<p>making arrangements, sending a reminder etc. The debt will only be passed to Recovery if formal recovery action is required i.e. tracing a debtor, passing to an Enforcement Agent etc.</p> <p>Position - September 2025 No update provided.</p> <p>Position – November 2025 Work is progressing in writing off long term sundry debts and engagement with enforcement agents. The constitution at Three Rivers has been amended to make it clear that the director of finance can write off uncollectable amounts. The recovery team has been consulted over the transfer of sundry debts to Finance and this is now well underway. Once this is in place sundry debts will be part of the budget monitoring conversation with Service Heads who ultimately have the decision making powers around these.</p> <p><b>Position – January 2026</b> <b>The team continue to pursue old debt. Write-offs have been put forward in January 2026 by the services that own the debt. The move of the Sundry Debt Team to Finance is taking place in April 2026. Further training will be delivered to services once the transfer has taken place.</b></p>				
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## APPENDIX 4 OUTSTANDING RECOMMENDATIONS FROM THE 2024/25 AUDIT PLAN

Public Health Funerals 2024/25							
Final report issued November 2024							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
01	<p>Management should ensure that:</p> <ol style="list-style-type: none"> <li>1) the draft policy is finalised and approved, as planned.</li> <li>2) a copy of the approved policy is made available on the Council's website.</li> </ol>	Medium	<p>Waste &amp; Environment Manager and Environmental Strategy Manager to present report and policy to relevant committees and ensure website is updated in due course.</p> <p>Position (March 2025) Environmental Strategy Manager recently attended a PHF training course and is feeding some of that learning into the policy and procedures documents.</p> <p>Position (September 2025) Policy is written - committee report is in the process of being finalised to take this policy to committee.</p> <p>Position (November 2025) Report cycle is as follows; CMT 3<sup>rd</sup> February 2026 JLT 17<sup>th</sup> February 2026 General Public Services Committee 17<sup>th</sup> March 2026 Policy and Resources Committee 29<sup>th</sup> June 2026</p> <p><b>Position (March 2026)</b> <b>Following the committee cycle as noted above the draft policy has now been to CMT and JLT and is due at General Public Services Committee 17<sup>th</sup> March 2026</b> <b>Policy and Resources Committee 29<sup>th</sup> June 2026</b> <b>Once approved it will be available on the website</b></p>	Waste & Environment Manager and Environmental Strategy Manager	31 July 2025	*	29/06/26  (Previous deadline was 31/12/25)

## APPENDIX 4 OUTSTANDING RECOMMENDATIONS FROM THE 2024/25 AUDIT PLAN

Public Health Funerals 2024/25							
Final report issued November 2024							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
03	<p>We recommend that:</p> <p>1) Procedure notes should be documented to ensure officers are undertaking correct processes and relevant controls applied. This should include the requirement to take documents, valuables and/or cash or simply photograph them and leave them in-situ, as appropriate.</p> <p>2) The inventory recording any personal effects taken from the property is completed, signed and dated by both officers at the time of completion, i.e. at the property. A record should be kept where no items are taken (unless the Council decides not to take any personal items).</p>	Medium	<p>Procedure notes to be reviewed and decision made by SLT/Legal as required.</p> <p>Procedure notes to be updated.</p> <p>Position (March 2025) Environmental Strategy Manager recently attended a PHF training course and is feeding some of that learning into the policy and procedures documents.</p> <p>Position (September 2025) Policy is written and procedure notes are in the process of being updated. However in the meantime checklists/inventory logs have been introduced. Committee report is in the process of being finalised. The Policy will go to Committee, Procedures will go to CMT for information. Use of genealogists is being considered as part of the committee report.</p> <p>Position (November 2025) Report cycle is as follows; CMT 3<sup>rd</sup> February 2026 JLT 17<sup>th</sup> February 2026 General Public Services Committee 17<sup>th</sup> March 2026 Policy and Resources Committee 29<sup>th</sup> June 2026</p> <p><b>Position (March 2026) Following the committee cycle as noted above the draft policy has now been to CMT and JLT and is due at General Public Services Committee 17<sup>th</sup> March 2026</b></p>	Waste & Environment Manager and Environmental Strategy Manager	31 December 2025	*	29/06/26

## APPENDIX 4 OUTSTANDING RECOMMENDATIONS FROM THE 2024/25 AUDIT PLAN

Public Health Funerals 2024/25							
Final report issued November 2024							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
			<b>Policy and Resources Committee 29<sup>th</sup> June 2026</b> Procedure notes have been updated and were approved by CMT on 3 <sup>rd</sup> February.				

Asset Management and Garages 2024/25							
Final report issued January 2025							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
01	The Property Strategy and Policy should be refreshed and appropriately approved. Management should also consider developing an asset management plan/action plan to help ensure the Strategy and Policy is achieved. Or, add additional detail to the new Strategy and Policy to provide more depth, such as other policies, processes and procedures.	Medium	A refresh of the Property Strategy & Policy has already been identified for action by the Head of Property Services & Major Projects. A revised Strategy, together with an action plan will be prepared and adopted during 2025.  Position (March 2025) This task has not started yet.  Position (September 2025) This task has been reprogrammed and will be concluded by 31 March 2026.  Position (November 2025) This task is about to commence and will be completed by 31 March 2026.  <b>Position (March 2026)</b> <b>The task has commenced. The Property Strategy &amp; Policy will be prepared by the deadline, but formal adoption won't occur until slightly later in the year – based upon the timings of the Policy &amp; Resources Committee meetings.</b>	Head of Property Services & Major Projects	30 September 2025	*          *	31/03/26

## APPENDIX 4 OUTSTANDING RECOMMENDATIONS FROM THE 2024/25 AUDIT PLAN

Asset Management and Garages 2024/25							
Final report issued January 2025							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
07	Ensure that there is an appropriate plan and resources in place to ensure all lease rent reviews and lease renewals dates are accurately recorded on TRAMPS, with event dates.	Medium	<p>As data is added to the TRAMPS system the 'events facility' will become more effective. At the end of 2024 the Team produced an updated spreadsheet of essential events (such as rent reviews &amp; lease renewals) and we have developed a programme to address these outdated actions, whilst we populate TRAMPS. The target date is achievable, subject to the successful and timely recruitment of the Property &amp; Estates Officer.</p> <p>Position (March 2025) Prior to the departure of the Interim Senior Surveyor, their last task was to update the lease event spreadsheet, to identify outstanding lease renewals and rent reviews. The Property Services Team have already begun implementing these rent reviews and lease renewals by combination of in-house resources and external agency support.</p> <p>Position (September 2025) To provide additional assurance, we have been testing critical date data on an asset-by-asset basis. As a result, we have extended the deadline for completion of this task until 30 November 2025</p> <p>Position (November 2025) As indicated in September's update, we have revised the date for completion of the TRAMP's data until 30 November and this remains on target. Work continues on a daily basis to update the TRAMP's system with key data.</p>	Property & Asset Manager	30 September 2025	✓	30/11/25

## APPENDIX 4 OUTSTANDING RECOMMENDATIONS FROM THE 2024/25 AUDIT PLAN

Asset Management and Garages 2024/25							
Final report issued January 2025							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
			<p><b>Position (March 2026)</b>  <b>Complete – all base data relating to lease events is now on the TRAMPS system and is capable of determining upcoming lease events.</b></p>				

Council Tax 2024/25							
Final report issued January 2025							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
01	<p>A full housekeeping exercise should be undertaken to review historic discounts and exemptions that should have a provisional end date / end date in the system.</p> <p>We also recommend that a follow up of all other discounts and exemptions that do not require a provisional end date be completed, with ongoing periodic checks moving forward.</p>	High	<p>A full review of all Discounts and Exemptions will take place during the year, particularly those that do not usually have an expected end date, such as SMI or 'O' where the situation is unlikely to change unless there is a change in occupiers.</p> <p>Position – February 2025,                      This has been delayed whilst the service undergoes a period of transformation with officers being trained to be generic and therefore able to work across the service. The first phase of the training is due to complete by 31.03.2025 and we will then complete the review of all discounts and exemptions.</p> <p>Please note all Single Person Discounts and Empty Homes have been reviewed.</p> <p>Position - September 2025                      No update provided.</p> <p>Position – November 2025</p>	Revenues & Benefits Service Delivery Manager	31 March 2025	✓	31/03/26 (Previous deadline was 30/04/25)

## APPENDIX 4 OUTSTANDING RECOMMENDATIONS FROM THE 2024/25 AUDIT PLAN

<b>Council Tax 2024/25</b>							
Final report issued January 2025							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
			<p>The Service is still undergoing a period of transformation with officers being trained to be generic and therefore able to work across the service. This has now entered the second training phase due to end March 2026. At this stage we will look to review in payment discount and exemptions. The overall performance around processing is always in the top quartile of local authorities benchmarking.</p> <p><b>Position – January 2026</b>  <b>The service has completed data matching exercises for SPD relief and Empty Homes relief and have additionally completed a Property Premium Verification data checking exercise (PPV). All three of these exercises involve data matching. The PPV is a new exercise completed for the first time in 2025/26 with good results and additional revenue being generated for both authorities.</b></p>				

<b>Business Rates (Voids and Reliefs) 2024/25</b>							
Final report issued June 2025							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
01	We recommend that a data matching / relief check exercise is undertaken to ensure the legitimacy of relief claims.	Medium	<p>A process and timetable for data matching are scheduled to be agreed by 30 September 2025 and this action is currently pending.</p> <p>Position (September 2025) No update provided.</p>	Revenues Manager/Finance Manager/Head of Revenues and Benefits	September 2025	✓	31/01/26

## APPENDIX 4 OUTSTANDING RECOMMENDATIONS FROM THE 2024/25 AUDIT PLAN

Business Rates (Voids and Reliefs) 2024/25 Final report issued June 2025							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Current Deadline
			<p>Position – November 2025 Process and timetable agreed and data matching being undertaken</p> <p><b>Position - January 2026 Process and timetable agreed and data matching being undertaken</b></p>				
02	We recommend that, in line with the planned review of this area, a strategy is devised and implemented to ensure that quality assurance checks are in place within the Shared Service to ensure compliance with required standards and policies by Business Rates officers.	Medium	<p>A strategy is being developed to implement quality assurance checks, with training scheduled to begin by 30 September 2025 and this action is currently in progress</p> <p>Position (September 2025) No update provided.</p> <p><b>Position – January 2026 Training has been provided. New data post recruited to and quality assurance now being managed by team leaders following departure of previous manager. Position to be reviewed in new year but current evidence is that QA has improved substantially.</b></p>	Quality and Assurance Team	September 2025	✓	31/01/26

## APPENDIX 5 – ASSURANCE AND RECOMMENDATION PRIORITY LEVELS

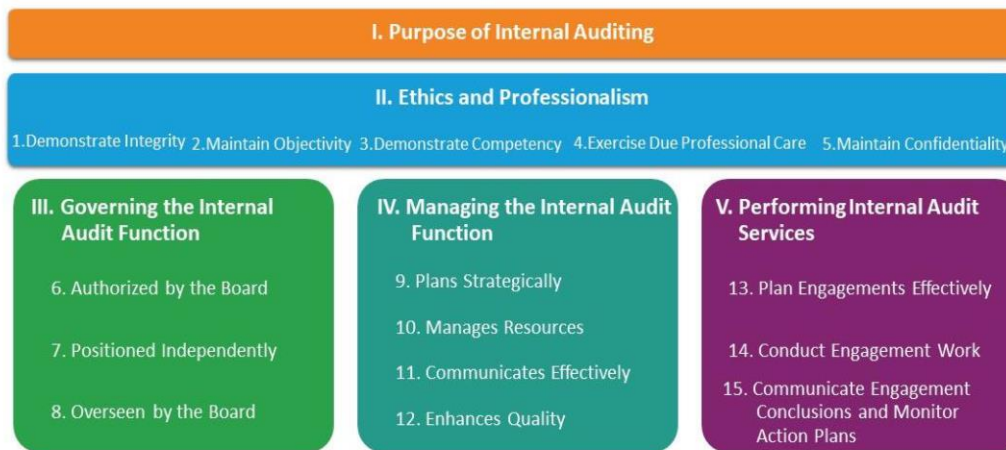
Audit Opinions		
Assurance Level	Definition	
Assurance Reviews		
<b>Substantial</b>	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	
<b>No</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	
<b>Not Assessed</b>	This opinion is used in relation to consultancy or embedded assurance activities, where the nature of the work is to provide support and advice to management and is not of a sufficient depth to provide an opinion on the adequacy of governance or internal control arrangements. Recommendations will however be made where required to support system or process improvements.	
Grant / Funding Certification Reviews		
<b>Unqualified</b>	No material matters have been identified in relation the eligibility, accounting and expenditure associated with the funding received that would cause SIAS to believe that the related funding conditions have not been met.	
<b>Qualified</b>	Except for the matters identified within the audit report, the eligibility, accounting and expenditure associated with the funding received meets the requirements of the funding conditions.	
<b>Disclaimer Opinion</b>	Based on the limitations indicated within the report, SIAS are unable to provide an opinion in relation to the Council's compliance with the eligibility, accounting and expenditure requirements contained within the funding conditions.	
<b>Adverse Opinion</b>	Based on the significance of the matters included within the report, the Council have not complied with the funding conditions associated with the funding received.	
Recommendation Priority Levels		
Priority Level	Definition	
Corporate	<b>Critical</b>	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
	<b>High</b>	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
Service	<b>Medium</b>	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	<b>Low</b>	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.

1. The purpose of this briefing paper is to serve as a reminder of the duties and expectations of the Audit Committee under Domain III of the GIAS. The GIAS are arranged into five Domains (sections), as also outlined in the image below:

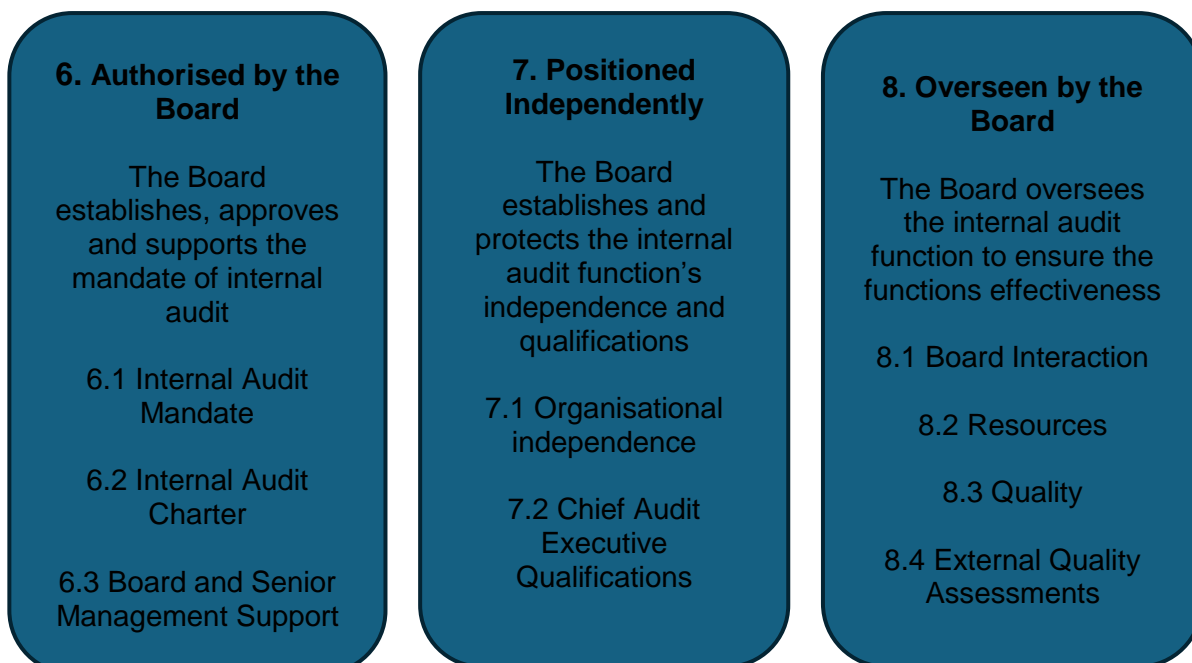
**The Global Internal Audit Standards – Domains and Principles**



**Global Internal Audit Standards**  
**Five Domains, 15 Principles**



2. Domain III explicitly sets out essential requirements, principles and standards with which Senior Management and the Board (Audit Committee) must conform with to demonstrate compliance with the standards. These are further supplemented or interpreted by the Application Note for the GIAS in the UK Public Sector and the CIPFA Code of Practice for the Governance of Internal Audit in Local Government.
3. The images below depict the three principles and nine standards of Domain III that specifically relate to arrangements that should be in place to formalise key governance structures, authority, independence and oversight mechanisms.



4. While the Chief Audit Executive (CAE) has responsibilities to communicate effectively and provide the board (Audit Committee) with information, the Audit Committee also has a role and responsibilities that are key to the internal audit function’s ability to fulfil the Purpose of Internal Auditing.

**Principle 6: Authorised by the Board (Audit Committee)**

*(To be effective and to meet the requirements of professional standards, internal audit’s authority needs to be established.)*

**Standard 6.1 Internal Audit Mandate**

5. The authority, role, and responsibilities of the internal audit function are defined in the Internal Audit Mandate and the Internal Audit Charter. In local government in England, internal audit’s authority has statutory backing through the Accounts and Audit Regulations 2015.

**Standard 6.2 Internal Audit Charter**

6. The mandate and charter empower the internal audit function to enhance the Council’s success by providing senior management and the Audit Committee with objective, risk-based assurance and advice. The internal audit function carries out the mandate by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes throughout the Council.

**Standard 6.3 Board (Audit Committee) Support**

7. Internal audit’s activities require access to and support from senior management, the Audit Committee and those charged with governance. Support allows internal audit to apply their mandate and charter in practice and meet expectations.

**What do Standards 6.1 to 6.3 look like in practice for the Audit Committee?**

<b>Standards 6.1 and 6.2</b>
<p><u>The Audit Committee should:</u></p> <ul style="list-style-type: none"> <li>• Approve the Internal Audit Charter and comment / query or challenge as necessary.</li> </ul>
<b>Standard 6.3</b>
<p><u>The Audit Committee:</u></p> <p>Should work collaboratively / individually with senior management (as necessary and where not already happening) to support internal audit or obtain assurance that appropriate arrangements are in place as follows:</p> <ul style="list-style-type: none"> <li>• Champion the role and work of internal audit to the staff within the authority and to partner organisations with whom internal audit will work.</li> <li>• Facilitate access to senior management, the Audit Committee and the authority’s external auditor.</li> <li>• Assist, where possible, with access to external providers of assurance such as regulators, inspectors and consultants.</li> </ul>

- Engage constructively with internal audit's findings, opinions and advice.
- Build awareness and understanding of the importance of good governance, risk management and internal control as well as internal audit's contributions.
- Ensure there are organisational structures where the CAE reporting line is not lower than a member of the senior management team, has access to all members of the senior management team, and the CAE should be a senior manager, providing them with the necessary profile to fulfil the function's mandate.
- Where internal audit is outsourced / delivered through a partnership arrangement, ensure there is a nominated CAE, and client responsibility lies with a member of senior management.
- The organisational position of the chief audit executive should be supported by direct reporting to the Audit Committee.

Specific actions that the Audit Committee are solely responsible for are to:

- Enquire of senior management and the chief audit executive about any restrictions on the internal audit's scope, access, authority or resources that limit its ability to carry out its responsibilities effectively. (SIAS report on this to the Audit Committee as part of the Annual Assurance Opinion and Internal Audit Annual Report).
- Consider and approve the Audit Plan / Planning Strategy.
- Meet at least annually with the CAE in sessions without senior management present.

**Principle 7: Positioned Independently**

***(On behalf of those charged with governance and the Audit Committee, senior management establishes and protects the internal audit function's independence and qualifications.)***

**Standard 7.1 Organisational Independence**

8. The Audit Committee is responsible for ensuring the independence of the internal audit function. Independence is defined as the freedom from conditions that impair the ability of the internal audit function to carry out internal audit responsibilities in an unbiased manner. Independence is established through accountability to the Audit Committee, access to relevant resources, and freedom from interference.

**Standard 7.2 Chief Audit Executive Roles, Responsibilities, and Qualifications**

9. CAEs must be suitably qualified, i.e., CMIIA, or a CCAB qualification, or an equivalent professional qualification which includes training on the practice of internal audit, and suitable internal audit experience. In local government, matters around the appointment, removal, remuneration and performance evaluation of an in-house chief audit executive will be undertaken by senior management, but these arrangements must not be used to undermine the independence of internal audit.

**What do Standards 7.1 to 7.2 look like in practice for the Audit Committee?**

**Standards 7.1 and 7.2**

The Audit Committee should:

- Provide feedback on the proposed job description (when recruiting) and the performance evaluation of the CAE should include feedback from the Chair of the Audit Committee. In shared or outsourced arrangements, the Audit Committee should provide feedback on the operation of the contract.
- Support internal audit's independence by reviewing the effectiveness of safeguards at least annually, including any issues or concerns about independence raised by the CAE.
- Escalate any concerns about internal audit independence to those charged with governance.
- Support the CAE's right of access to the chair of the Audit Committee at any time.
- Receive and consider the CAE's disclosure or confirmation annually whether there have been any restrictions on independence that limit internal audit's ability to carry out its responsibilities effectively (achieved through the Committee receiving and considering the Annual Assurance Opinion and Internal Audit Annual Report).

The Audit Committee should also understand Senior Managements / SIAS Boards role to:

- Ensure internal audit's access to staff and records.
- Ensure that the CAE reports to the audit committee on the work of internal audit.
- Provide opportunities for the CAE to meet with the audit committee without senior management present (at least annually).
- Work with the CAE to remove or minimise actual or potential impairments to the independence of internal audit, and ensure safeguards are operating effectively.
- Recognise that if the CAE has additional roles and responsibilities beyond internal auditing, or if new roles are proposed, it could impact on the independence and performance of internal audit. The impact must be discussed with the CAE and the views of the Audit Committee sought.

**Principle 8: Overseen by the Board**

***(To ensure the effectiveness of internal audit, it should be overseen by the Audit Committee on behalf of those charged with governance.)***

**Standard 8.1 Board Interaction**

10. Audit Committee oversight is essential to ensure the overall effectiveness of the internal audit function. Achieving this principle requires collaborative and interactive communication between the Audit Committee and the CAE.

**Standard 8.2 Resources**

11. The Audit Committee and senior management must engage with the chief audit executive to review whether internal audit’s financial, human and technological resources are sufficient to meet internal audit’s mandate as set out in the regulations and achieve conformance with GIAS in the UK public sector. Where the function is outsourced or shared, the focus should be on the budgeted contract.

**Standard 8.3 Quality and Standard 8.4 External Quality Assessment**

12. The Audit Committee receives assurance about the quality of the performance of the CAE and the internal audit function through the quality assessment and improvement program, including the board’s direct review of the results of the external quality assessment.

**What do Standards 8.1 to 8.4 look like in practice for the Audit Committee?**

<p><b>Standard 8.1</b></p> <p><u>The Audit Committee:</u></p> <ul style="list-style-type: none"><li>• Should follow the CIPFA Audit Committee guidance for the oversight of internal audit.</li><li>• Must agree its work plan with the Chief Audit Executive to ensure there is appropriate coverage of internal audit matters within audit committee agendas.</li><li>• Should provide for the internal audit mandate and charter, strategy, plans, engagement reporting and the annual conclusion, and quality reports within its annual workplan. The Committee should also oversee the tracking and implementation of internal audit recommendations.</li><li>• Must familiarise itself with the authority’s assurance framework and approach to governance, risk management and internal control arrangements to fulfil the wider terms of reference of the committee (see AGS and Code of Corporate Governance). This understanding will facilitate its interactions with internal audit.</li><li>• Should have oversight of the annual governance statement before final approval. Audit Committee familiarity with these will support their effective interaction with internal audit.</li><li>• Review and support progression of instances where internal audit considers the management of risk or proposed actions in response to audit engagements represent an unacceptable level of risk to the authority.</li></ul>
<p><b>Standard 8.2</b></p> <p><u>The Audit Committee should:</u></p> <ul style="list-style-type: none"><li>• Confirm that if resource issues result in a limitation of scope on the annual conclusion, this should also be reported and disclosed in the annual governance statement.</li></ul>

## APPENDIX 6 – BRIEFING PAPER: GLOBAL INTERNAL AUDIT STANDARDS – DOMAIN III

- Confirm that where there are concerns about internal audit's ability to fulfil its mandate or deliver an annual conclusion, the concerns are formally recorded and reported to those charged with governance.
- Understand that decisions on internal audit resourcing by senior management and those charged with governance must take account of the longer-term risks to the governance and financial sustainability of the authority and internal audit's role in supporting those objectives.
- Receive the CAE's disclosure or confirmation at least annually or as necessary whether there has been any human, technological or human resource matters that have adversely affected internal audit's ability to carry out its responsibilities effectively (done with the Annual Assurance Opinion and Internal Audit Annual Report, and Annual Audit Plan).

### Standard 8.3

#### The Audit Committee should:

- Review annually the results of the CAEs assessment of conformance against GIAS in the UK public sector, including any action plan.
- Review the CAE's annual report, including the annual conclusion on governance, risk management and control, and internal audit's performance against its objectives.
- Review in-year updates and make appropriate enquiries if there are concerns about internal audit performance.
- Satisfy itself on the effectiveness of internal audit to meet the requirements of the mandate for internal audit. They should consider conformance with the standards, interactions with the committee, performance and feedback from senior management.
- Report conclusions to those charged with governance, for example as part of the Audit Committee's Annual Report.

### Standard 8.4

#### The Audit Committee:

- Must receive the complete results of the EQA and consider the chief audit executive's action plan to address any recommendations. Progress should be monitored.

The Audit Committee must also understand senior management's / SIAS Board's role to ensure that:

- Internal audit has an external quality assessment (EQA) at least once every five years of its conformance against GIAS in the UK public sector, including the CIPFA Code.

## **APPENDIX 6 – BRIEFING PAPER: GLOBAL INTERNAL AUDIT STANDARDS – DOMAIN III**

- Discuss the CAE's plan for the EQA and report the options, suggested timing and their recommendation to the Audit Committee.
- Where the authority is the client of an internal audit provider, (shared, partnership or outsourced functions), then agreement on the approach to the EQA will need to take account of the broader arrangements. This is agreed through the SIAS Board before reporting to the respective Audit Committees.
- Where the authority commissions the EQA, the proposals for the scope, method of assessment and assessor should be brought to the Audit Committee for agreement.

13. Since the implementation of the GIAS, SIAS has ensured that key documents and reports provided to the Audit Committee have been updated to reflect the requirements of the Standards, for example, the Internal Audit Strategy, Internal Audit Charter and Mandate, Audit Plan Reports, Progress Update Reports, Annual Assurance Opinion and Internal Audit Annual Reports.

14. However, it is important for Audit Committee members to remain aware of their responsibilities for reviewing and interpreting this information and seeking wider assurance that the Council maintains an effective, appropriately resourced and independent internal audit function, and that outcomes from the work of internal audit are appropriately acted upon by senior management. The GIAS, Application Note for the GIAS in the UK Public Sector and the CIPFA Code of Practice for the Governance of Internal Audit in Local Government provide a timely reminder of the Audit Committee's responsibilities in this regard, and how they can be exhibited in practice.