

Appendix 1

Internal Audit Reports

The following table summarises the audit assignments and similar work completed by Internal Audit since the last meeting of this Committee.

Audit Title	Report Issued	Assurance Opinion	Actions (High Priority)	Actions (Other)
Financial Appraisal – Capital Works	01/07/25	Advisory Report Only		
Financial Appraisal – Capital Works	01/07/25	Advisory Report Only		
Homelessness	08/07/25	Substantial	-	-
Garden Waste Management	23/07/25	Substantial	-	1
Commercial Property Management	24/07/25	Limited	3	2
Financial Appraisal – Bramcote Leisure Centre	13/08/25	Advisory Report Only		
Tenant Engagement	02/09/25	Substantial	-	-
Housing Repairs (Reactive)	At the time of writing, it is anticipated that these audits will be completed (or substantially completed) by the date of this meeting. A verbal update will be provided by the Chief Audit and Control Officer at this meeting.			
Climate Change				
Anti-Social Behaviour				

Remaining Internal Audit Plan 2025/26

Audit Title	Progress
Licensing	In Progress
Payroll	In Progress
Treasury Management	In Progress
Kimberley Depot - Compliance	In Progress
Benefits	Planning
Bramcote Leisure Centre - Governance Review	Planning
Capital Works	Planning
Information Management	Planning
Bank Reconciliation System	Not yet commenced
Business Rates (NNDR)	Not yet commenced
Committee Management System	Not yet commenced
Creditors and Purchasing	Not yet commenced
Fire and Asbestos Risk Management	Not yet commenced
Hickings Lane Pavilion	Not yet commenced
Housing Disrepair	Not yet commenced
Housing Lettings	Not yet commenced
Human Resources	Not yet commenced
Rents	Not yet commenced
Surveillance	Not yet commenced

Completed Audits

A report is prepared for each audit assignment and issued to the relevant senior management at the conclusion of a review that will:

- include an overall opinion on the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the specific identified key risks relating to the area under audit. This opinion is categorised as either 'Substantial', 'Reasonable', 'Limited' or 'Little' assurance;
- identify inadequately addressed risks and ineffective control processes;
- detail the actions agreed with management and the timescales for completing those actions; and
- identify issues of good practice.

Recommendations made by Internal Audit are prioritised, with the agreed actions being categorised accordingly as follows:

- High Priority – Action considered necessary to avoid unmitigated exposure to significant risks
- Medium Priority – Action considered necessary to avoid unmitigated exposure to other key risks
- Best Practice – Action recommended in order to improve existing procedures and other systems of internal control

The following audit reports have been issued with key findings as follows:

1. **Financial Appraisals** **Advisory Reports Only**

Internal Audit is frequently requested to provide financial appraisals of companies, non-incorporated businesses and other organisations as part of the Council's 'due diligence' processes prior to the commencement of any commercial or similar relationship with the organisation in question. For each appraisal, Internal Audit provides a confidential report which summarises the results of a review of information provided by the organisation, information provided by third-party organisations (such as credit-referencing agencies and the National Anti-Fraud Network) and any other publicly available information.

2. **Homelessness** **Assurance Opinion – Substantial**

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Appropriate Policy and Procedure documentation may not be in place.
- People presenting to the Council as homeless, or who are identified as being at risk of homelessness, may not be appropriately and consistently advised and/or assisted.
- Appropriate Performance Monitoring and Reporting procedures may not be in place.

Internal Audit was pleased to report that no significant issues were identified in the course of this review, with no formal recommendations being deemed necessary.

3. **Garden Waste**

Assurance Opinion – Substantial

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Garden Waste Collection pricing may not be appropriate and correctly approved.
- Appropriate controls may not be in place for income collection, reconciliation and refunds.
- Garden Waste collections may be made at properties without an up-to-date account.
- Collection routes may not be reviewed to ensure they are efficient.

Internal Audit was pleased to report that no significant issues were identified in the course of this review, with a single recommendation ('medium priority') relating to the documentation of the review of reconciliations being proposed to and agreed with management.

4. **Commercial Property Management**

Assurance Opinion – Limited

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risks:

- Processes for the commencement of new tenancies may not be sufficiently robust.
- Invoicing of rent and related charges may not be performed in an accurate and timely manner.
- Collection processes for rent and related charges may not be sufficiently robust and timely.
- Financial and non-financial performance reporting may be inadequate.

Three high priority and one medium priority recommendations were identified, details of which may be found in the confidential appendix.

One further recommendation ('medium priority') relating to document management and the implementation of a new property management system was proposed to and agreed with management.

5. Tenant Engagement

Assurance Opinion – Substantial

The primary purpose of the audit was to provide assurance over the effectiveness of the policies, procedures and other systems of control implemented by management in mitigation of the following specific identified key risk:

- Adequate arrangements may not be in place to ensure compliance with the expectations for engagement with tenants contained within section 2.2 of the Transparency, Influence and Accountability Standard published by the Regulator of Social Housing.

For reference, a link to the standard is included [here](#).

Internal Audit was pleased to report that no significant issues were identified in the course of this review, with no formal recommendations being deemed necessary.

Current Audit Performance

Progress on the Internal Audit Plan for 2025/26 is considered to be satisfactory, taking into account a significantly higher than usual number of Financial Appraisals undertaken during April and June.

A final report on the performance of the Internal Audit Service for 2025/26 will be presented to this Committee in July 2026.

Appendix 2**Internal Audit Follow-Up**

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the audit. The table below provides a summary of the progress made with high and medium priority agreed actions for such internal audit reports issued. Those audits where all actions have previously been reported as completed have been excluded from this list.

Audit Title	Report Issued	Original Assurance Opinion	Agreed Actions	Progress
Housing Delivery Plan	28/08/24	Reasonable	2	Complete
Damp and Mould	27/01/25	Reasonable	2	1 Outstanding
Financial Inclusion	24/02/25	Substantial	1	Complete
Allotments	05/03/25	Limited	3	Complete

Further details of progress being made with high and medium priority agreed actions that have not yet been fully implemented are included below along with comments from management reflecting any updates on progress. Evidence of implementation will not be routinely sought for all actions as part of this monitoring process. Instead, a risk-based approach will be applied to conducting further follow-up work. Actions marked as 'superseded' refer to occasions where either 1) developments within the relevant Council department, or the environment within which the department operates, have occurred since the date of the original audit report and the action is no longer relevant or considered a priority in light of the consequent change to the Council's risk profile; or, 2) an alternative action has been implemented to mitigate the risk identified.

Where the agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

Outstanding Actions**1. Damp and Mould****1.1 Procurement****Agreed Action (High Priority)**

The recently commenced procurement process for Damp and Mould related works will be completed at the earliest opportunity.

Managers Responsible

Assistant Director Housing

Housing Repairs and Compliance Manager

Target Date: 31 March 2025

Update from the Assistant Director Housing

This is still in progress. The Repairs team have a number of contracts requiring procurement and have prioritised those with the highest value.

Revised Target Date: 31 March 2026