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 – Prospective Tenant	20/04/26	Advisory Report Only		
Financial Appraisal – Prospective Tenant	19/05/26	Advisory Report Only		
Shared Ownership (Housing)	27/05/26	Substantial	-	1
Key Reconciliations	27/05/26	Substantial	-	1
Financial Appraisal – Prospective Tenant	01/06/26	Advisory Report Only		
Financial Appraisal – Prospective Guarantor	03/06/26	Advisory Report Only		
Planning Income	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 at this meeting.			
Payroll				
Transport and Fleet Management				
Hickings Lane Pavillion				

Remaining Internal Audit Plan 2026/27

Audit Title	Progress
Housing Acquisitions	In progress
Process Improvement Follow-Up	In progress
Commercial Property Income	In progress
Asbestos Risk Management (Housing)	Not yet commenced
Benefits	Not yet commenced
Business Support (Invoicing)	Not yet commenced
Community Engagement	Not yet commenced
Complaints Reporting and Responses	Not yet commenced
Creditors and Purchasing	Not yet commenced
Fire Risk Management (Housing)	Not yet commenced
Human Resources	Not yet commenced
Leisure Centre Operations	Not yet commenced
Lettings (Housing)	Not yet commenced
Licensing	Not yet commenced
NNDR (Business Rates)	Not yet commenced
Public Sector Housing Enforcement	Not yet commenced
Rents (Housing)	Not yet commenced
Tenancy Records Management (Housing)	Not yet commenced
Tenancy Sustainment (Housing)	Not yet commenced
Treasury Management	Not yet commenced
Waste Management (Trade and Residual)	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 'No' 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. **Shared Ownership (Housing)** **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 and approved policy and procedure documents may not be in place.
- Shared Ownership arrangements (with a focus on the application process) may not be administered in accordance with relevant policy and procedure.
- Sales valuations and the setting of rents and related charges may not be performed in an appropriate manner.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with one recommendation relating to the retention of correspondence ('best practice') being proposed to and agreed with management.

3. **Key Reconciliations** **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:

- The Key Reconciliation processes may not be completed in a timely and accurate manner.

Internal Audit was pleased to report that no significant issues were identified in the course of this review with one recommendation relating to the reconciliation completion schedule ('best practice') being proposed to and agreed with management.

Current Audit Performance

Progress on the Internal Audit Plan for 2026/27 is considered to be satisfactory. A final report on the performance of the Internal Audit Service for 2025/26 is presented to this Committee alongside this report.

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
Payroll	26/11/25	Substantial	2	Complete
Kimberley Depot - Compliance	06/01/26	Reasonable	2	Complete
Benefits	15/01/26	Substantial	1	Complete
Housing Disrepair	15/01/26	Substantial	1	Complete