

Meeting of:	Governance and Audit Committee
Date of Meeting:	Monday, 15 December 2025
Relevant Scrutiny Committee:	Resources Scrutiny Committee
Report Title:	Progress Against the Internal Audit Risk Based Plan
Purpose of Report:	To provide members of the Committee with a position statement on progress made against the audit work included and approved within the Internal Audit Risk Based Plan
Report Owner:	Head of the Regional Internal Audit Service
Responsible Officer:	Head of Finance & Section 151 Officer
Elected Member and Officer Consultation:	Legal Services and Head of Finance have been consulted. No Elected Members have been consulted.
Policy Framework:	The proposals in this report are in accordance with the policy framework and budget
<p>Executive Summary:</p> <ul style="list-style-type: none"> To provide members of the Governance and Audit Committee with a position statement on progress made against the audit work included and approved within the Internal Audit Risk Based Plan 2025-26. A summary of the progress made against the internal audit plan as of 31st October 2025 is detailed in Appendix A. Table 1 summarises that 22 planned audit reviews have been completed which equates to a completion rate 38%. Audit opinions, based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment, have been given to the 22 completed audits as follows: 7 Substantial Assurance, 13 Reasonable Assurance and 2 Limited Assurance. Included within the 2025-26 plan are 11 audits that were not undertaken or completed in 2024-25. Appendix B shows the status of these audits; 8 are completed, 1 is in progress and 2 are due to start. A total of 113 recommendations (5 high priority, 47 medium priority and 61 low priority) have been made to date to improve the control environment. The progress being made in 	

implementing the high and medium priority recommendations is regularly monitored by the Audit team and reported to this Committee.

Recommendation

1. It is recommended that Members of the Committee note the content of the report and the progress made against the 2025-26 Internal Audit Risk Based Plan.

Reasons for Recommendations

1. To keep Governance and Audit Committee informed.

1. Background

- 1.1 In accordance with the Global Internal Audit Standards (GIAS), the Head of Audit is responsible for developing a risk-based annual audit plan which considers the Council's risk management framework. Within the Standards there is also a requirement for the Head of Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, controls and resources. The Head of Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.
- 1.2 The Internal Audit Plan for 2025-26 was submitted to the Governance and Audit Committee for consideration and approval on 23rd June 2025. The Plan outlined the audit assignments to be carried out which will provide adequate coverage to enable an overall opinion at the end of 2025-26.
- 1.3 The plan is flexible to allow for changing circumstances and events that may occur, such as requests to respond to new issues that may emerge.

2. Key Issues for Consideration

- 2.1 Progress made against the approved plan for the period 1st April 2025 to 31st October 2025 is attached at **Appendix A**. This details the status of each planned review, the audit opinion and the number of any high, medium or low priority recommendations made to improve the control environment. It should be noted that some reviews listed have no opinion, for example advice and guidance, recommendation monitoring and Governance and Audit Committee. This is because the audit work carried out in respect of these items is planned but the nature of the work does not lead to testing and the formation of an audit opinion, although in some instances recommendations are made.

2.2 The Regional Internal Audit Service (RIAS) has set quarterly targets to monitor the delivery of the approved plan. This will assist in ensuring sufficient audit coverage has been given to the Council to provide an overall opinion at the end of 2025-26. The targets that the RIAS are working towards at the end of each quarter are as follows:

- Qtr 1 = 10%
- Qtr 2 = 30%
- Qtr 3 = 50%
- Qtr 4 = 80%

2.3 As of 31st October 2025, the level of coverage was 38%. A summary of the progress made to date is shown in Table 1 below. Details of individual audit assignments are shown in **Appendix A**.

Table 1 – Summary of the Progress Made Against the Internal Audit Plan

Status of Audit Assignments as at 31/10/25	Number	% of Plan Completed
Final report issued	20	35%
Draft report issued	2	3%
Audits in progress	13	
Audits allocated and due to start	11	
Planned Audits not yet allocated	12	
Total	58	38%

2.4 An audit opinion is applied to an audit based on the assessment of the strengths and weaknesses of the areas examined during the audit through testing of the effectiveness of the internal control environment. Table 2 below shows the audit opinions given to 22 completed audits as of 31st October 2025. Details of individual audit assignments are shown in **Appendix A**.

Table 2 – Audit Opinions Applied to Audits as of 31st October 2025

Audit Opinion	Number	%
Substantial Assurance	7	32%
Reasonable Assurance	13	59%
Limited Assurance	2	9%
No Assurance	0	0%
Total	22	100%

For reference, the audit assurance/opinion categories are:

AUDIT ASSURANCE CATEGORY CODE	
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	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.
Limited	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.
No Assurance	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.

- 2.5** Table 2 identifies that there have been 2 Limited Assurance opinion audits issued to date. The key issues identified during the Vehicle Fuel Management audit were reported to Governance and Audit Committee in the previous meeting. The other audit with a Limited Assurance opinion is Corporate Building Compliance. This audit report is currently at draft stage and once the report is finalised the key issues will be reported to this Committee.
- 2.6** Generally, when a Limited Assurance opinion is issued, management need time to implement the agreed recommendations to make the necessary improvements to the control environment. In these circumstances, the Audit Team will undertake a follow up audit, usually within six to twelve months of the final report being issued to verify that appropriate controls were subsequently in place. This will be the case for the Vehicle Fuel Management audit above.
- 2.7** The audit plan at **Appendix A** includes provision for follow up audits. Once follow up audits are complete, the audit opinions will be reported to Committee. If improvements have not been made and the recommendations have not been implemented this would result in a second Limited Assurance opinion. At that stage the Head of Audit would recommend to members that they invite in the relevant Corporate Director / Head of Service to provide the necessary assurances that action will be taken to address the issues identified within the audit report.
- 2.8** **Appendix A** illustrates that the Office Equipment & Inventory follow up audit has been allocated and due to commence whilst the other follow up audit - Tender Evaluation & Award - Project & Planned Team Building Services, has been completed and finalised. Committee members may recall that this audit received

a second consecutive *Limited Assurance Opinion* during 2024/25, and the Head of Service has attended this Committee to provide assurance that improvements were being made. This follow up audit undertook testing, based on the original scope of work, to provide assurance that improvements have been made which have strengthened controls to mitigate the previously identified risks. It is pleasing to state that this follow up audit has demonstrated that improvements have been made and a *Reasonable Assurance* opinion has been given.

- 2.9** The audit plan 2025-26 also includes audits that were not started during 2024-25 or were incomplete at year end. There are 11 of these which are identified at **Appendix B**. Table 3 below provides a summary of the status of these 11 audits as of 31st October 2025.

Table 3 – Status of Audits Carried Forward into the Audit Plan 2025-26 as of 31st October 2025

Status of Audit Assignments	Number	% of Plan Completed
Final report issued	8	73%
Draft report issued	0	0%
Audits in progress	1	
Audits allocated and due to start	2	
Planned Audits not yet allocated	0	
Total	11	73%

- 2.10** **Appendix A** also shows a total of 113 recommendations have been made to date to improve the control environment: 5 high priority, 47 medium priority and 61 low priority recommendations. The implementation of the high and medium priority recommendations is regularly monitored by the Audit team to ensure that the agreed improvements are being made. More detailed information is included in a separate report to this Committee.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The well-being goals identified in the Wellbeing and Future Generations Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

4. Climate Change and Nature Implications

4.1 None as a consequence of this report

5. Resources and Legal Considerations

Financial

5.1 There are no resource implications as a direct consequence of this report, but effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded and that there is sound financial management across all services.

Employment

5.2 None as a direct consequence of this report.

Legal (Including Equalities)

5.3 The provision of an adequate and effective Internal Audit function is a legal requirement under the Accounts and Audit (Wales) Regulations 2014 as amended from time to time. There are no equalities implications as a direct consequence of this report.

6. Background Papers

None

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Ref	Directorate	Area	Audit Objective	Status	Audit Opinion/Assurance			Recommendations		
					Substantial	Reasonable	Limited	High	Medium	Low
	Cross Cutting	Follow up Limited Assurance Reports	To provide assurance that service areas where limited assurance opinions were provided are followed up in a timely manner							
1			Tender Evaluation & Award - Project & Planned Team Building Services	final issued		✓		1	1	6
2			Office Equipment Inventory Follow Up	allocated						
3	Cross Cutting	Corporate Safeguarding	This review will include follow up on the previous limited report on governance and training.	final issued		✓		0	2	2
4	Cross Cutting	Corporate Risk Management	A review of a sample of corporate risks to identify if they are being appropriately managed and progress is being reported accurately.							
5	Cross Cutting	Performance Framework	To provide assurance that the new performance framework via the corporate plan (Vale 2030) and directorate plans, is compliant to legislative requirements, is adequately and regularly challenged and regularly reported and is being incorporated throughout all service areas.							
	Cross Cutting	Grant Certification Work	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.							
6			Illegal Money Lending Grant	final issued	✓			0	0	0
7			Bus Service Support Grant	final issued		✓		0	1	2
8			Enable 2024-25	final issued	✓			0	1	0
9			Housing Support Grant 2024-25	final issued	✓			0	0	1
10	Cross Cutting	Information Governance	To provide assurance that identified strategic actions within the Information Governance baseline assessment are being effectively managed and are being delivered to plan.							
11	Cross Cutting	Council Vehicles / Fleet Management	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of fleet management	in progress						
12	Corporate Resources	Local Authority Trading Company	To provide assurances on the governance and operation of the Catering Company.	allocated						
	Corporate Resources	Key Financial Systems	A rolling programme of audits is adopted for material systems whereby the work programme for each year will differ.							
13			Capital Expenditure - NEC system	final issued		✓		0	2	3
14			Creditors	final issued		✓		0	2	5
15			Council Tax	final issued		✓		2	2	0
16			Discretionary Benefit Payments	allocated						
17			BACS	in progress						
18	Corporate Resources	Financial Management Code	To provide assurance that the information presented is accurate	final issued	✓			0	0	1
	Corporate Resources	ICT Audits	ICT systems reviews will be undertaken across Directorates ICT systems to ensure robust controls are evident and operating effectively.							
19			Identity and Access Corporate Network	final issued		✓		0	1	2
20			Electoral ICT System	in progress						
21			Education ICT School Support & Call Handling	in progress						
22	Corporate Resources	Oracle Fusion	To provide assurance that the new processes are secure, effective and efficient	in progress						
23	Corporate Resources	Hybrid Council Meetings	To provide assurance that hybrid Council meetings are compliant, effective and efficient including stability of the solution	in progress						
24	Corporate Resources	Scrutiny Arrangements	To provide assurance that the new arrangements are efficient and effective							
25	Corporate Resources	Elections	To provide assurance that controls surrounding the elections is robust and the costs incurred are accurately supported with source documents and the overall governance is sound.	final issued		✓		0	1	1
26	Corporate Resources	Safer Recruitment	To provide assurances that safer recruitment is operating effectively across the council by ensuring that policies and procedures are in place and that, DBS, reference checks or risk assessments are in place prior to employment commencement.	final issued		✓		1	1	2
27	Corporate Resources	Communications & Social Networking	To review Council social media accounts to ensure compliance with any relevant legislation and internal policies	final issued		✓		0	5	5
28	Environment & Housing	SRS Joint Service - Governance & Financial Controls	To provide assurance to the Shared Regulatory Service Board on the systems and processes in place in respect of the overall control environment including governance, risk management and internal control for the 2024-25 Financial Year.	final issued		✓		0	2	5
29	Environment & Housing	Vehicle Fuel Management	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Vehicles Fuel System.	final issued			✓	0	10	8
30	Environment & Housing	Security of Assets & Stock in Alps Depot	To review the security arrangements in place to provide assurance they are effective.							
31	Environment & Housing	Stores Management	To review the systems in operation regarding the control and recording of the Stores facility and to review the methodology employed to ensure the accuracy of the annual stock returns.	allocated						

Ref	Directorate	Area	Audit Objective	Status	Audit Opinion/Assurance			Recommendations		
					Substantial	Reasonable	Limited	High	Medium	Low
32	Environment & Housing	Responsive Repairs	To examine the procedures and processes in place for Building Services Responsive Repairs including monitoring of performance targets to ensure compliance and to provide assurance that the control environment is robust and efficient.	allocated						
33	Environment & Housing	Highways Potholes	To provide assurance in regard to the effectiveness and efficiency of the processes used to identify, prioritise, and repair potholes							
34	Environment & Housing	Waste - Street Cleansing	To examine the systems in place to provide assurance that the service is working effectively and efficiently							
35	Environment & Housing	Housing Rents	To provide assurance that the new NEC system is implemented correctly and all data is transferred from OHMS accurately.							
36	Environment & Housing	Sheltered Housing	To provide assurance that the basis for the calculation of service charges is accurate and the process for recharging is effective.	in progress						
37	Environment & Housing	Corporate Building Compliance	To provide assurance that the reporting and escalation systems in place are effective and accurate	draft issued			v			
38	Environment & Housing	Community Safety	To provide assurance that the policies and processes in place in respect of CCTV is compliant with relevant legislation and the governance arrangements are effective.	in progress						
	Learning & Skills	Schools	To undertake a number of school based reviews as well as cross cutting thematic reviews in accordance with the Internal Audit risk based assessment.							
39			Llangan Primary	final issued	v			0	3	7
40			Cowbridge Comprehensive	final issued		v		1	7	5
41			St Richard Gwyn Comprehensive	allocated						
42			Gwenfo Primary School	allocated						
43			School Governance & Budget Monitoring	in progress						
44	Learning & Skills	School CRSA & Annual Report	To undertake the annual controlled risk self – assessment for schools to enable Head Teachers and Chair of Governors to review their internal controls and to ensure that they undertake and comply with the requirements of current legislation and the Financial Procedure Rules.	allocated						
45	Learning & Skills	Out of County Placements	To review the contract monitoring arrangements to provide assurance that the systems are efficient and effective.	in progress						
46	Place	Building Control	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements .	draft issued	v					
47	Place	Shared Prosperity Fund	To provide assurance that the systems and processes are effective and compliant to legislation.	in progress						
48	Place	Plan for Neighbourhoods	To review the governance structure to provide assurance that it is compliant to legislative requirements	allocated						
49	Social Services	Regional Adoption Service	A compliance review to complete the Annual Accounting Statement	final issued	v			0	0	5
50	Social Services	Foster Carer Payments	To provide assurance that payments are accurate, supported by adequate assessments, authorised appropriately, and comply with formal agreements and these are subject to regular review and re-assessment.	final issued		v		0	6	1
51	Social Services	Complaints and Compliments	To provide assurance that the policy and procedures are being adhered to, performance is monitored and reported data is accurate	in progress						
52	Social Services	Domiciliary Care (Social Care)	To provide assurance that the correct procurement processes are undertaken to ensure contracts and agreements are compliant, efficient and economical	allocated						
53	Social Services	Special Guardian Orders	To review the arrangements in place for the payment of Special Guardianship Orders and means testing methodology	allocated						
54	Social Services	Respite Services	To establish how effective the controls and processes are for making placements and identify any issues/gaps that may arise in respect of care provision, particularly in respect of clients with more complex needs.							
55	Social Services	External Children Placements	To provide assurance that the procurement and contract management processes are effective							
56	Social Services	Reablement / VCRS	To provide assurance that the systems and processes in place are effective and efficient							
57	Internal Audit	Effectiveness of the Governance & Audit Committee	To provide assurance that the Council's Governance and Audit Committee is effective, in line with the CIPFA Self Assessment of Good Practice guidance	in progress						
58	Internal Audit	Compliance with GIAS - Self Assessment	Review compliance with the Global Internal Audit Standards.							
59	Cross Cutting	Annual Governance Statement	The completion of the Council's Annual Governance Statement, submission to Governance and Audit Committee and included with the Statement of Accounts 2024/25	complete						
60	Internal Audit	Governance & Audit Committee / Member and SLT Reporting	This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee. Regular reporting to, and meeting with, the Section 151 Officer, Strategic Leadership Team and the RIAS Board.							
61	Internal Audit	Compliance – expenses / mileage claims	This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee, plan formulation and monitoring, and regular reporting to, and meeting with, the Section 151 Officer, SLT and the RIAS Board.							
62	Internal Audit	Waiver Requests	To challenge the use of exemptions to both Contract and Finance Procedure Rules via the waiver procedure. Challenge provided throughout the year.							

Ref	Directorate	Area	Audit Objective	Status	Audit Opinion/Assurance			Recommendations		
					Substantial	Reasonable	Limited	High	Medium	Low
63	Internal Audit	Meetings, Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority.							
64	Internal Audit	Data Analytics	Data Analytics is proving to be a useful internal audit tool as councils become more reliant on electronic data, as data analytics enables a vast amount of data to be analysed when selecting testing samples							
65	Internal Audit	Audit Wales Liaison	To maintain professional relationship in line with good practice and the GIAS							
66	Internal Audit	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.							
67	Internal Audit	Annual Opinion Report	To prepare and issue the Head of Audit's Annual Opinion Report 2024/25 and start preparation for 2025/26 report.							
68	Internal Audit	Audit Planning	To prepare and monitor the annual risk based audit plan for 2024/25 and commence preparation for 2025/26 plan							
69	Internal Audit	Audit Charter / Manual	To review and update the documents as required							
70	Internal Audit	Closure of reports - 2024/25	To finalise all draft reports outstanding at the end of 2024-25.							
71	Internal Audit	Emerging Risks / unplanned	To enable Audit Services to flexibly respond to provide assurance activity as required.							
72	Cross Cutting	Fraud / Error / Irregularity	National Fraud Initiative - Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers.							
73	Cross Cutting	Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.							
74	Cross Cutting	Fraud / Error / Irregularity	Anti-Fraud & Corruption – Proactive - Proactive counter-fraud work that includes targeted testing of processes with inherent risk of fraud.							
			OVERALL TOTALS		7	13	2	5	47	61

Directorate	Area	Audit Objective	Status
AUDITS ONGOING AND CONTINUED INTO 2025/26			
Cross Cutting	Corporate Safeguarding	This review will include follow up on the previous limited report on governance and training.	final issued
Corporate Resources	Key Financial Systems	Capital Expenditure - NEC system	final issued
		Creditors	final issued
Corporate Resources	ICT Audits	Identity and Access Corporate Network	final issued
Corporate Resources	Communications & Social Networking	To review Council social media accounts to ensure compliance with any relevant legislation and internal policies	final issued
AUDITS NOT STARTED AND INCLUDED ON 2025/26 PLAN			
Corporate Resources	Local Authority Trading Company	To provide assurances on the governance and operation of the Catering Company.	allocated
Corporate Resources	Financial Management Code	To provide assurance that the information presented is accurate	final issued
Corporate Resources	Oracle Fusion	To provide assurance that the new processes are secure, effective and efficient	in progress
Corporate Resources	Hybrid Council Meetings	To provide assurance that hybrid Council meetings are compliant, effective and efficient including stability of the solution	allocated
Corporate Resources	Safer Recruitment	To provide assurances that safer recruitment is operating effectively across the council by ensuring that policies and procedures are in place and that, DBS, reference checks or risk assessments are in place prior to employment commencement.	final issued
Social Services	Foster Carer Payments	To provide assurance that payments are accurate, supported by adequate assessments, authorised appropriately, and comply with formal agreements and these are subject to regular review and re-assessment.	final issued