Agenda Item No: 10

Meeting of:	Governance and Audit Committee
Date of Meeting:	**Monday, 28 September 2026**
Relevant Scrutiny Committee:	Resources Scrutiny Committee
Urgent Decision Procedure Used (If yes, why)	No
Item Type	Part I
Report Title:	**Progress Against the Internal Audit Risk Based Plan 2026-27**
Portfolio Holder:	No Relevant Cabinet Member
Strategic Leadership Team:	**Head of Finance/Section 151 Officer**
Lead Officer:	**Head of the Regional Internal Audit Service**

1.0 What is this report about?

This report provides 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.

2.0 What are the Recommendations?

	Recommendations – What and How?	Reason for Recommendation – Why?
2.1	It is recommended that members of the Committee note the content of the report and the progress made against the 2026-27 Internal Audit Risk Based Plan.	To keep Governance and Audit Committee informed, to consider the progress and determine whether further assurance or corrective action is required.

3.0 What is the background to this report?

3.1 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.

3.2 The Internal Audit Plan for 2026-27 was submitted to the Governance and Audit Committee for consideration and approval on 22nd June 2026. The Plan outlined the audit assignments to be carried out which will provide adequate coverage to enable an overall opinion at the end of 2026-27.

3.3 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.

4.0 What issues are there to be considered?

4.1 Progress made against the approved plan for the period 1st April 2026 to 31st August 2026 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, as well as the date each audit report has been issued. It should be noted that some reviews listed have no audit opinion, for example advice and guidance; Governance and Audit Committee / Member and SLT Reporting and Fraud, Error or Irregularity. 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.

4.2 The Regional Internal Audit Service (RIAS) has set quarterly targets to monitor the delivery of the approved audit plan. This will assist in ensuring sufficient audit coverage has been given to the Council to provide an overall opinion at the end of 2026-27. 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%

4.3 As of 31st August 2026, the level of coverage was 24% which is on course to reach the target of 30% for the end of quarter 2. 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 Against the Audit Plan 2026-27

Status of Audits Assignments as of 31/8/26	Number	% of plan completed
Final report issued	9	17%
Draft report issued	4	7%
Audits in progress	23	
Audits allocated	0	
Planned Audits not yet allocated	18	
Total	**54**	**24%**

4.4 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 shows the audit opinions given to the 13 completed audits; all have been given a Reasonable Assurance or Substantial Assurance opinion; there have been no Limited Assurance opinions. Details of individual audit opinions are shown in **Appendix A**.

Table 2 – Audit Opinions Applied to Audits as of 31st August 2026

Audit Opinions	Number	%
Substantial Assurance	4	31%
Reasonable Assurance	9	69%
Limited Assurance	0	-
No Assurance	0	-
Total	**13**	**100%**

4.5 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.

4.6 The audit plan 2026-27 includes audits that were not started during 2025-26 or were incomplete at year end. There are 11 of these, and their status is identified at **Appendix B** which shows 5 have been completed to at least draft stage.

5.0 How has evidence been used to inform the report, including the views of others?

5.1 To develop the risk-based plan, the Head of Internal Audit consulted with senior management to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes.

6.0 What are the next steps if the recommendations are approved?

6.1 The Regional Internal Audit Service will continue to undertake the audits identified on the approved audit plan and the progress and audit opinions will be reported regularly to the Senior Leadership Team and this Committee.

7.0 How does this report support Vale 2030 and Reshaping?

7.1 Internal Audit is a support service which does not directly provide a council service to the public.

7.2 Internal audits provide assurance on the adequacy and effectiveness of the internal control environment, governance arrangements and risk management processes in place. Recommendations are made to strengthen controls and mitigate identified risks. This in turn gives confidence to the effective, economic and efficient use of public funds and resources and the minimalization of fraud and error across those services.

7.3 The internal audit process often opens discussions on how services could be delivered more effectively, economically and efficiently.

8.0 How does this demonstrate the Five Ways of Working?

8.1 Long term –Provides positive assurance on sound financial management which gives a firm foundation for future delivery of services.

8.2 Integrated – providing audit assurance on the compliance with policies, procedures and legislation and the proper use of public funds, supports service areas to deliver their services in line with the well-being goals. Where appropriate audit reports will include recommendations to make service delivery more efficient.

8.3 Involved – Managers are given the opportunity to discuss audit findings and the recommendations made.

8.4 Collaborative –Good practice is shared across the 3 partner local authorities within the Regional Internal Audit Service (RIAS). RIAS is a member of the Welsh Chief Auditors' Group which also shares good practice on service delivery.

8.5 Preventative – identifying weaknesses in control, governance or risk management now will minimise the potential of fraud and error and also small issues escalating into much bigger problems in the future.

Resources

9.0 Finance

9.1 There are no resource implications as a direct consequence of this report, but effective audit planning, monitoring and reporting are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

10.0 Workforce

10.1 There are no workforce issues as a direct consequence of this report

11.0 <u>Legal and Equalities</u>

11.1 Does an Equalities Impact Assessment need to be completed? No

11.2 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

11.3 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.

12.0 **<u>Key Contacts</u>**

12.1 **Who are the primary officers to contact with any comments and/or queries on the report?**

Lead Officer: Andrew Wathan Head of Regional Internal Audit Service	Democratic Services Officer: Gareth Davies

<u>Appendix</u>

Appendix A – Progress Against the Internal Audit Plan 2026-27

Appendix B – Progress Against Audits Not Completed in 2025-26

<u>Background Documents</u>

none

Vale of Glamorgn Council - Progress Against the Internal Audit Plan 2026/27

Ref	Directorate	Area	Audit Objective	Status	Report Date	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			Debtors	in progress							
2	Cross Cutting	Safeguarding	The objectives of the audit are to undertake an assessment of the Council's overall operating model for safeguarding to evaluate safeguarding performance. The review will include the safeguarding arrangements in place for vulnerable adults as well as children across the Council.	in progress							
3	Cross Cutting	Good Governance	To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities.								
4	Cross Cutting	Corporate Risk Management	The objective of the audit is to select a sample of corporate risks to identify whether there is suitable Risk Ownership, Monitoring & Review and Reporting.								
5	Cross Cutting	Annual Corporate Self-Assessment	To provide assurance that the process in place for compiling, evaluating, consulting and reporting the Council's Annual Self Assessment is compliant with the appropriate legislation								
6	Cross Cutting	Emergency Planning & Business Continuity Arrangements	To provide assurance over the Council's emergency planning and horizon scanning processes in place and establish how prepared the Council is in respect of issues that could potentially arise relating to supply chains, fuel shortages, energy costs etc. (excluding ICT business continuity)	in progress							
	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.								
7			Illegal Money Lending Grant 2025-26	final issued	06-08-26	√			0	1	1
8			Bus Service Support Grant 2025-26	final issued	04-08-26		√		0	3	0
9			Enable Grant 2025-26	in progress							
10			Housing Support Grant 2025-26	in progress							
11	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.								
12	Cross Cutting	Emergency Powers & Financial Exemptions	To provide assurance that the processes in place to obtain appropriate financial exemptions and delegated powers eg) waivers, delegated powers when necessary, are effective and efficient	draft issued	11-08-26		√				
13	Cross Cutting	Procurement	To review aggregate spend with various suppliers to provide assurance that the most appropriate and cost effective procurement route has been taken.	in progress							
14	Cross Cutting	Commissioning	To provide assurance that the Council's approach to commissioning services is compliant with processes, procedures and legislation	in progress							
	Corporate Resources	Key Financial Systems	A rolling programme of audits is adopted for material systems whereby the work programme for each year will differ.								
15			CTRS & Discretionary Benefit Payments	in progress							
16			Budget Monitoring	in progress							
17			Cashiers	in progress							
18			Treasury Management	in progress							
19	Corporate Resources	Financial Management Code	To provide assurance that the information presented is accurate	final issued	07-07-26	√			0	0	3
	Corporate Resources	ICT Audits	ICT systems reviews will be undertaken across Directorates ICT systems to ensure robust controls are evident and operating effectively.								
20			Microsoft 365 - Licensing & Application Utilisation	final issued	12-08-26		√		0	1	0
21	Corporate Resources	Cyber Security Governance	To provide assurance that the governance arrangements within the Council are effective and efficient and compliant to any relevant legislation	in progress							
22	Corporate Resources	Scrutiny Arrangements	To provide assurance that the new arrangements are efficient and effective								
23	Corporate Resources	Freedom of Information Requests	To provide assurance that the process in place is effective, efficient and compliant to legislation								
24	Corporate Resources	Information Security for Members	To provide assurance that Members comply to processes, procedures and legislation to ensure that information they hold on devices is secure.	draft issued	22-07-26		√				
25	Corporate Resources	Project Zero	To provide assurance that the process in place for measuring and reporting the Council's carbon footprint is accurate, efficient and effective.	in progress							
26	Corporate Resources	Payroll	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of payroll including overtime, standby and call out payments	in progress							
27	Environment & Housing	SRS Joint Service	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 2025-26 Financial Year.	final issued	06-08-26		√		0	1	9

Appendix A

Ref	Directorate	Area	Audit Objective	Status	Report Date	Audit Opinion/Assurance			Recommendations		
						Substantial	Reasonable	Limited	High	Medium	Low
28	Environment & Housing	SRS Joint Service - Taxi Licensing	The objectives of the audit were to review the effectiveness of controls surrounding the administration of the Taxi Licensing function including safeguarding measures.	in progress							
29	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.	in progress							
30	Environment & Housing	Housing Rents	To provide assurance that the new NEC system is implemented correctly and all data is transferred accurately.	draft issued	08-07-26		√				
31	Environment & Housing	Security of Assets & Stock in Alps Depot	To review the security arrangements in place to provide assurance they are effective.	draft issued	28-07-26		√				
32	Environment & Housing	Street Scene - Street Cleansing	To examine the systems in place to provide assurance that the service is working effectively and efficiently								
33	Environment & Housing	Fuel Cards	To provide assurance that there are robust processes in place in relation to the management and administration of fuel cards and ensure that they are delivering value for money.	in progress							
	Environment & Housing	Parks & Playing Field Ground Maintenance	The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Grounds Maintenance.	in progress							
34	Environment & Housing	Waste Transfer / Disposal	The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of transfer of waste / disposal by the Council.	in progress							
35	Environment & Housing	Engineering	To provide assurance that processes in place in respect of procurement is compliant with Council polices and relevant legislation .								
36	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.								
37			Ysgol Gymraeg Pen y Garth	final issued	07-07-26		√		0	6	8
38	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.								
39	Learning & Skills	Youth Service	The purpose of this review is to provide assurance on the adequacy and effectiveness of governance, risk management, and internal control arrangements in place for the Council's Youth Services								
40	Learning & Skills	Corporate Management - School Budget Deficits	To provide assurance that the new systems in place are effective and efficient								
41	Learning & Skills	Additional Learning Needs - Panels	To provide assurance that the Panels required in this area (IDP Panel and ALP Panel) follow statutory procedures and their processes are efficient and effective								
42	Place	Planning Applications and Appeals	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Planning Applications & Appeals.	in progress							
43	Place	Regeneration Governance	To provide assurance that the governance arrangements in place between the four placemaking boards and the Vale board are effective.								
44	Place	Major Projects	To provide assurance on the project management and deliver of major projects.	in progress							
45	Social Services	Regional Adoption Service - Governance and Financial Management	A compliance review to complete the Annual Accounting Statement	final issued	12-06-26	√			0	2	1
46	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.	in progress							
47	Social Services	External Children Placements	To provide assurance that the procurement and contract management processes are effective	in progress							
48	Social Services	Adoption Payments	The objective of this audit is to provide assurance that adoption payments are accurate, supported by adequate assessments, authorised appropriately, which comply with formal agreements and any relevant legislation								
49	Social Services	Special Guardian Orders	To review the arrangements in place for the payment of Special Guardianship Orders and means testing methodology	final issued	30-07-26		√		0	6	3
50	Social Services	Reablement / VCRS	To provide assurance that the systems and processes in place are effective and efficient	final issued	29-07-26	√			0	0	0
51	Social Services	Direct Payments	The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Direct Payments.								

Ref	Directorate	Area	Audit Objective	Status	Report Date	Audit Opinion/Assurance			Recommendations		
						Substantial	Reasonable	Limited	High	Medium	Low
52	Social Services	New Social Care Record System	To provide assurance on governance and decision making around the project whilst implementation is underway								
53	Internal Audit	Compliance with GIAS - Self Assessment	Review compliance with the Global Internal Audit Standards.								
54	Internal Audit	Effectiveness of Governance and 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								
55	Internal Audit	Annual Governance Statement	The completion of the Council's Annual Governance Statement, submission to Governance and Audit Committee and included with the Draft Statement of Accounts 2025/26 (including the Governance Assurance Statements from Corporate Officers and Senior Management).								
56	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.								
57	Internal Audit	Compliance – expenses / mileage claims	To review any claims with expenses over 3 months old or £500 to ensure the correct level of approval has been given								
58	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.								
59	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.								
60	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								
61	Internal Audit	Audit Wales Liaison	To maintain professional relationship in line with good practice and the GIAS								
62	Internal Audit	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.								
63	Internal Audit	Annual Opinion Report	To prepare and issue the Head of Audit's Annual Opinion Report 2025/26 and start preparation for 2026/27 report.								
64	Internal Audit	Audit Planning	To prepare and monitor the annual risk based audit plan for 2026/27 and commence preparation for 2027/28 plan								
65	Internal Audit	Audit Charter / Manual	To review and update the documents as required								
66	Internal Audit	Closure of reports - 2025/26	To finalise all draft reports outstanding at the end of 2025/26.								
67	Internal Audit	Emerging Risks / unplanned	To enable Audit Services to flexibly respond to provide assurance activity as required.								
68	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.								
69	Cross Cutting	Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.								
70	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			**4**	**9**	**0**	**0**	**20**	**25**

Ref	Directorate	Area	Audit Objective	Status	Report Date	Audit Opinion/Assurance			Recommendations		
						Substantial	Reasonable	Limited	High	Medium	Low

Summary of the Progress Made Against the Plan

VOG Summary as at 31/08/26	Number	%
final issued	9	17%
draft issued	4	7%
in progress	23	
allocated	0	
planned	18	
Total Planned Audits With an Opinion	**54**	**24%**
no opinion	16	
Total Audits on Plan	**70**	

OPINIONS		
Substantial	4	30.8%
Reasonable	9	69.2%
Limited	0	0.0%
No Assurance	0	0.0%
	13	**100.0%**

Vale of Glamorgan Council - Audits Carried Forward into 2026-27

Directorate	Area	Audit Objective	Status	Audit Opinion/Assurance			Recommendations		
				Substantial	Reasonable	Limited	High	Medium	Low
AUDITS ONGOING AND CONTINUED INTO 2026/27									
Corporate Resources	CTRS & Discretionary Benefit Payments	CTRS & Discretionary Benefit Payments	in progress						
Corporate Resources	Microsoft 365 - Licensing & Application Utilisation	Microsoft 365	final issued		√		0	1	0
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.	in progress						
Environment & Housing	Housing Rents	To provide assurance that the new NEC system is implemented correctly and all data is transferred accurately.	draft issued		√				
Social Services	Special Guardian Orders	To review the arrangements in place for the payment of Special Guardianship Orders and means testing methodology	final issued		√		0	6	3
Social Services	Reablement / VCRS	To provide assurance that the systems and processes in place are effective and efficient	final issued	√			0	0	0
AUDITS NOT STARTED AND INCLUDED ON 2026/27 PLAN									
Corporate Resources	Scrutiny Arrangements	To provide assurance that the new arrangements are efficient and effective							
Environment & Housing	Security of Assets & Stock in Alps Depot	To review the security arrangements in place to provide assurance they are effective.	draft issued		√				
Environment & Housing	Street Scene - Street Cleansing	To examine the systems in place to provide assurance that the service is working effectively and efficiently							
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.	in progress						
Social Services	External Children Placements	To provide assurance that the procurement and contract management processes are effective	in progress						