



## **Governance Scrutiny Group**

**Thursday, 25 September 2025**

### **Internal Audit Progress Report Quarter 1**

## **Report of the Director – Finance and Corporate Services**

### **1. Purpose of report**

The attached report has been prepared by the Council's internal auditors BDO and is the first report for this financial year. It reflects the progress made for the year against the annual Internal Audit programme, any recommended changes to the programme, along with any significant recommendations with regard to the audits completed during this period.

### **2. Recommendation**

It is **RECOMMENDED** that the Governance Scrutiny Group considers the quarter 1 progress report for 2025/26 (**Appendix A**) prepared by the Council's Internal Auditor and note the proposed inclusion of Licensing Income in the 2026/27 audit plan.

### **3. Reasons for Recommendation**

To conform to best practice and Public Sector Internal Audit Standards and give assurance to the Governance Scrutiny Group regarding the Council's internal control environment.

### **4. Supporting Information**

4.1. The Internal Audit Plan for 2025/26 was approved by the Governance Scrutiny Group at its meeting on 20 February 2025 and includes nine planned reviews.

4.2. The attached report highlights the completion and issuing of two reports from the 2025/26 Internal Audit Annual Plan. In terms of findings:

- The Council Tax audit received a substantial rating for both Design and Effectiveness with two low level findings
- The Streetwise Management audit received a Moderate rating for Design and Substantial rating for Effectiveness with two low and one medium level findings
- No limited assurance reports have been issued
- Management actions have been agreed for all recommendations
- Follow up actions from previous audits have been completed in line with recommendations.

- 4.3. At the request of the S151 Officer, BDO have conducted a separate advisory review specifically relating to the licensing of two premises within the Borough (details on page 2 of Appendix A). Following discussions between BDO, Finance and Licensing Heads of Service, it was concluded that on a risk basis, the internal audit plan should not be amended for 2025/26, with a review of licensing proposed to be included in the plan for 2026/27.
- 4.4. The audit plan is on target to be completed in accordance with deadlines.
- 4.5. There are two questions to assist the Group in their consideration of the audit plan. These are:
- Is the Group satisfied that there is sufficient assurance given for audits completed to Q1?
  - Is the Group satisfied with the progress made to date and to ensure completion of the plan?
  - Is the Group satisfied that the risk relating specifically to the licensing review, are low enough to not require an amendment to the audit plan for 2025/25?

## **5. Risks and Uncertainties**

If recommendations are not acted upon there is a risk internal controls are weakened and the risk materialises.

## **6. Implications**

### **6.1. Financial Implications**

There are no direct financial implications to the report. Indirectly a better internal control environment suggests risk could reduce and can result in a reduced audit workload and therefore cost.

### **6.2. Legal Implications**

The recommendation supports good risk management.

### **6.3. Equalities Implications**

There are no equalities implications identified for this report.

### **6.4. Section 17 of the Crime and Disorder Act 1998 Implications**

There are no such implications.

### **6.5. Biodiversity Net Gain**

There are no biodiversity implications associated with this report.

## 7. Link to Corporate Priorities

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| The Environment    | There are no links between the recommendations of this report and the Council's Environment priority               |
| Quality of Life    | Good health and safety processes and statistics is indicative of a good quality of life.                           |
| Efficient Services | Undertaking a programme of internal audit ensures that proper and efficient services are delivered by the Council. |
| Sustainable Growth | There are no links between the recommendations of this report and the Council's Sustainable Growth priority        |

## 8. Recommendations

It is RECOMMENDED that the Governance Scrutiny Group considers the quarter 1 progress report for 2025/26 (**Appendix A**) prepared by the Council's Internal Auditor and note the proposed inclusion of Licensing Income in the 2026/27 audit plan.

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| <b>Background papers available for Inspection:</b> | Internal Audit Plan 2025/26 Governance Scrutiny Group 20 February 2025   |
| <b>List of appendices:</b>                         | Appendix A - Internal Audit Progress Report Q1 2025/26– BDO  |