

Rushcliffe Borough Council
Internal Audit Progress Report
June 2026



Summary of 2025/26 work

Internal Audit

This report is intended to inform the Governance and Scrutiny Committee of progress made against the 2025/26 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Global Internal Audit Standards in the UK Public Sector. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal audit methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no' opinion. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

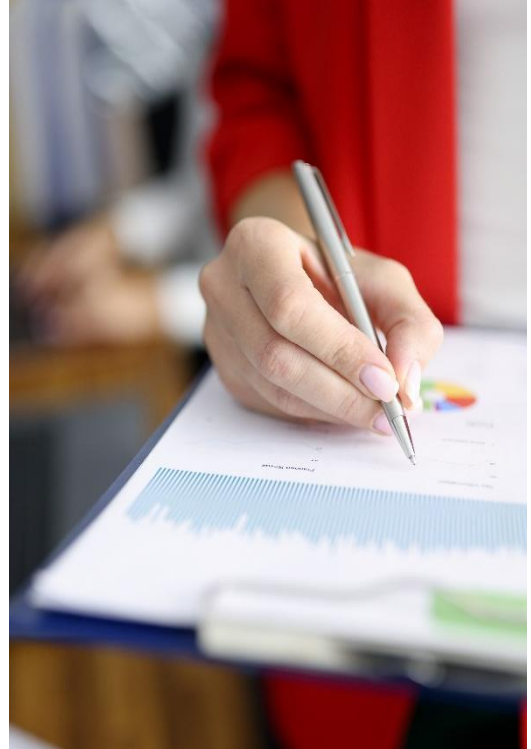
Internal audit plan 2025/26

We have now completed our delivery of the audit plan with all audit reviews finalised.

We are pleased to present the following reports to this Governance and Scrutiny Committee meeting:

- ▶ Procurement
- ▶ Health and Safety.

This concludes our delivery of the 2025/26 Internal Audit Plan and we are now commencing our work on the 2026/27 work.

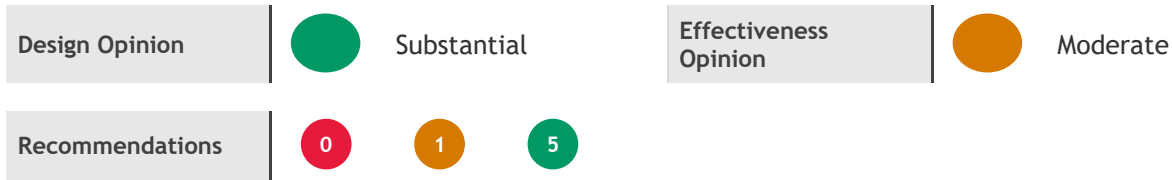


Review of 2025/26 work

AUDIT	GOVERNANCE SCRUTINY GROUP	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Fraud Report	June 2025	✓	✓	✓	Advisory Report	
Council Tax and NDR	September 2025	✓	✓	✓	S	S
Streetwise Management	September 2025	✓	✓	✓	M	S
Main Financial Systems	December 2025	✓	✓	✓	M	S
Business Continuity and Emergency Planning	December 2025	✓	✓	✓	S	S
Asset Management and Investment	February 2026	✓	✓	✓	S	S
Rushcliffe Oaks Crematorium - Operational Management	February 2026	✓	✓	✓	S	S
Procurement	June 2026	✓	✓	✓	M	M
Health and Safety	June 2026	✓	✓	✓	S	M

Health and Safety

CRR REFERENCE: CED03



SCOPE

Areas reviewed

Policies and Procedures

- ▶ Corporate health and safety policies and policies for key risk areas such as Control of Substances Hazardous to Health (COSHH), asbestos management and manual handling to ascertain whether these set clear roles and responsibilities for staff to maintain effective health and safety arrangements.
- ▶ Local procedure documents for the Streetwise Team, R2Go and Country Parks were provided which were generally considered higher risk for health and safety due to the activities the team perform, to ascertain whether these include clear provisions around performing activities safely and align to the corporate health and safety policies requirements. Specifically, we focused on the household waste collection, tree management and parks and open spaces functions.
- ▶ Our assessment of policies and procedures included guidance for whether staff with disabilities or additional support for health and safety were considered. This was also considered in our assessment of risk assessments.
- ▶ Risk assessments for service areas and tasks to ascertain whether these were sufficiently robust, identify key health and safety risks and include reasonable mitigating controls. We consulted with the Health and Safety Advisor when selecting service areas to review to ensure higher risk areas were focused on.

Training

- ▶ Training completion rates of the corporate health and safety training e-learning module to ascertain whether staff complete the training on their induction and at appropriate intervals thereafter.
- ▶ Enquired about local, tailored and bespoke training for higher risk service areas or activities to ascertain the internal and externally provided training to these staff. We reviewed training materials and records to ascertain whether staff have completed these training sessions before performing high risk activities.

Accident and Incident Reporting

- ▶ The accessibility and availability of forms for staff to report accidents and near misses. As accidents and near misses are often more prevalent in manual roles, we ascertained whether non-electronic forms were available for these members of staff to report accidents and near misses.
- ▶ Broader information provided to staff through other communication channels about reporting accidents and near misses to assess whether staff are clear and understand how these can be reported.
- ▶ Confirmed whether a centralised log of accidents and near misses were maintained to ensure there was a clear record of all accidents and near misses and all activities undertaken to investigate or remediate these. We also ascertained whether the Council perform analysis of this data to identify hotspots or themes around accidents and near misses.
- ▶ A sample of accidents or near misses reported to ascertain whether these were adequately investigated, full records of the investigation were retained and held

properly, and appropriate actions were put in place to prevent a reoccurrence of the accident or near miss. For instance, where mitigating actions were identified post investigation, we followed up on a sample of these to assess whether they have been implemented.

 AREAS OF STRENGTH

We identified the following areas of good practice:

Policies and Procedures

- ▶ The Health and Safety Advisor meet in-person with high-risk service areas and works collaboratively with service managers to develop policies and risk assessments. This allows both the service manager’s and Health and Safety Advisor’s specific expertise to be utilised to ensure policies and risk assessments are robust and consider a wide range of health and safety risks.
- ▶ All policies are available on the intranet for employees to access at any time to ensure they are aware and may comply with procedures.

Training

- ▶ Corporate e-learning modules for health and safety have high training compliance (above 90% for each course). This is supported by a regular review of training compliance by the Strategic HR Manager who emails those who are non-compliant to request this is completed timely. Automatic email notifications are also sent to an employee’s line manager if their training compliance becomes overdue.
- ▶ The Streetwise Manager (whose service area is a high health and safety risk) has created a health and safety information video to inform staff of responsibilities, including accident and near miss reporting and an appeal for ideas for improvement. This was produced following learnings from previous accidents. This has been tailored to the Streetwise Team and highlights specific health and safety risks for these staff. This also presents the learning in a different, more interactive way.

Accident and Incident Reporting

- ▶ Accident reporting is available on the intranet, tablets for manual staff or by directly reporting these to line managers. This takes the user to the Enterprise Service Bus (ESB) system which is used to record accidents and near misses. This system has been upgraded by the ICT Development Officer to enhance the reporting module as the Council have become more familiar with its operational capability; for example, allowing more free text to provide narrative about the incident. All actions and/or approvals by line managers for the investigation and management of health and safety incidents is recorded on this system to provide a robust audit trail. This is essential to demonstrate the actions that the Council have taken to remediate the issue in the event of an inspection.
- ▶ The Annual Health and Safety Report summarises the progress and challenges for health and safety during the year, with a breakdown of all accidents by type, service area/site and the number of working days lost each year because of the accident to indicate the severity of these. This is presented to the Executive Management Team (EMT) and the Corporate Overview Scrutiny Group and can be accessed by staff on the intranet. This contributes to effective governance and oversight of health and safety accidents and impact.






 AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>The documents tab with the accident reporting system has not historically been fully utilised to evidence the investigation and actions taken as a result, but this will be used as a central repository for incidents in the future (Finding 1 - Medium).</p>	<p>A. Line managers should be instructed to attach all documentation for accident and near miss investigations and post-accident actions to demonstrate that the response to an accident or near miss. Documentation should be saved in the ‘Documents’ tab on the ESB system.</p> <p>B. Accident reports should not be closed by Health and Safety Adviser (or the</p>

		<p>Strategic HR Manager in their absence) until they are satisfied appropriate action has been taken and documented on the ESB system.</p> <p><u>Management Response</u></p> <p>A. This has been discussed with all three high risk service areas and will be discussed with other managers as and when they report an accident.</p> <p>B. Agreed.</p> <p>Target date: Completed (both).</p>
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Procurement

CRR REFERENCE: FCS02, FCS03, FCS13

Design Opinion	 Moderate	Effectiveness Opinion	 Moderate
Recommendations	 0	 1	 1



SCOPE

Areas reviewed

Policies and Procedures

- ▶ The Council's Constitution (Standing Orders Relating to Contracts) and Procurement Strategy to assess whether these provide clarity on the Council's procurement requirements and comply with regulatory requirements. As the Council is in the process of re-drafting its Procurement Strategy, we also reviewed this document and benchmarked it to other public sector organisations to identify areas for improvement.
- ▶ Processes for assessing annual supplier spend to ascertain whether the Council has appropriate controls in place to detect aggregated spend to avoid procurement requirements.
- ▶ The Contracts Register and pipeline activity for procurement to assess whether there is sufficient monitoring of contracts that are due to end to allow a sufficient lead time for a procurement exercise.
- ▶ The adequacy and accessibility of tools and supporting guidance for staff on procurement, including to help them to identify the appropriate procurement routes.
- ▶ A sample of ten suppliers at different levels of spend to assess whether appropriate procurement processes have been followed. We used our data analytics tools to select our sample, focused on higher risk suppliers to establish the root cause of procurement gaps (ie suppliers not on the contracts register or large volumes of transactions falling below procurement thresholds). Specifically, we assessed whether:
 - Quotes or tenders have been received and evaluated in accordance with the Constitution (Standing Orders Relating to Contracts)
 - Multiple suppliers were evaluated and evidence of the supplier evaluation was documented with sufficient rationale for the selection of the successful supplier (for tendered contracts only)
 - Contract notices and award notices were published on Contracts Finder or the Find a Tender Service, as appropriate. NB: The County Council are responsible for this.
 - Financial and reputational due diligence has been conducted on suppliers before entering into legal contracts.

Exemptions from the Standing Orders

- ▶ As there were no centralised listing for all Exemption from the Standing Order Forms, we reviewed the last five completed and approved Exemption from the Standing Order Forms to assess if the form has been completed with appropriate approval obtained and whether there was reasonable consideration of other suppliers or options before opting to use an exemption. The new Act places greater requirements on the justification of contracts awarded under an exemption.
- ▶ Reporting and oversight of the use of STAs to assess whether there is clear and transparent governance of when and who they are used for.

Compliance with the New Act

- ▶ Governance arrangements in place at the Council to support its adherence with the new Act to assess whether adequate governance and operational preparations have been undertaken to ensure the Council are compliant.



AREAS OF STRENGTH

We identified the following areas of good practice:

- ▶ The Council’s Constitution was updated to align with the new Act in 2025 and provides a clearly defined framework for procurement activities, including detailed Contract Standing Orders. These set out the appropriate procurement routes based on contract value thresholds, including the use of quotation and formal tendering procedures, and outline key controls such as approval requirements, evaluation processes, and the use of exemption forms where applicable. While this establishes a strong control framework, further enhancements have been identified to achieve best practice based on our benchmarking to strategies and policies of other public sector organisations (see Observations).
- ▶ The Council has developed a contract assessment template that aligns with and reflects the Constitution and Contract Standing Orders. This Excel-based decision-support tool is designed to guide staff through the procurement requirements applicable to proposed contracts and is available to all staff via the intranet. Users are required to input key contract details, such as the estimated contract value, and the template automatically identifies the appropriate procurement route, approval requirements, and compliance obligations.
- ▶ The Council delivered procurement training to relevant officers and budget holders in advance of the new Act coming into effect on 24 February 2025. A recorded recap session was subsequently held on 17 April 2025, and supporting materials, including PowerPoint slides and templates, have been made available internally and published on the staff intranet to support ongoing awareness and understanding. Training was delivered to Members on 25 February and further training is scheduled for officers on 21 July 2026.
- ▶ The Council performs an annual review of aggregated supplier spend by extracting transaction records from the E-Financials system for each supplier. Cumulative spend is assessed against procurement threshold and follow up action is taken where required. The review is overseen by the Finance Team and report to the Executive Management Team (EMT). The purpose of this exercise is to identify similar types of spend with suppliers by different departments which could be consolidated into one contract to obtain better value for money.
- ▶ The Council manages its procurement exemption process using standardised exemption forms. We tested a sample of recent STAs and confirmed that the rationale and justification for directly awarding a contract was clearly stated (as required by the new Act) and the STA had been approved in accordance with the Council’s Scheme of Delegation.







AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>Procurement requirements defined within the Council’s Constitution are not consistently embedded or monitored in practice, while not occurring in every case, instances of non-compliance have been identified, including the use of inappropriate procurement routes, incomplete contract formalisation, gaps in due-diligence processes, omissions within the Contract Register requirements. These issues reduce assurance over transparency and value for money (Finding 1 - Medium).</p>	<p>The Council should implement periodic compliance checks to ensure procurement activity aligns with the Constitution and Contract Standing Orders. These checks should reinforce compliance with approved procurement routes, supplier due diligence requirements, and formal contract documentation, and ensure all procurement exercises and contracts are promptly notified to the County Council for inclusion on the Contract Register. Particularly as the requirements of the new Act are being embedded, a heightened focus should be applied to procurement to ensure the Council</p>





		<p>are complying with these requirements. Although, we recognise that local government reorganisation may reduce the level of procurement or new contracts being entered into in the next two years.</p> <p><u>Management Response</u></p> <p>We are introducing additional resources in the Finance Team to ensure processes are further embedded and services undertake due process. Additional monitoring will align closely with the requirements of PA23 and the actions identified within the Procurement Strategy.</p> <p>Target date: 31 October 2026</p>
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Key performance indicators




QUALITY ASSURANCE	KPI	RAG RATING
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings attended including Governance Scrutiny Group meetings, pre-meetings, individual audit meetings and contract reviews have been attended by either the Engagement Partner or the Engagement Manager.	
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO was found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards. BDO is due to have a External Quality Assessment against the Global Internal Audit Standards in late-2026	
Quality of work	We received two responses to our audit satisfaction surveys for 2024/25 reviews, with an average score of 4.3/5 for the overall audit experience and for the value added from our work. The number of responses is lower than we would expect, but we will continue to issue survey feedback requests upon the finalisation of each audit assignment.	
Completion of audit plan	We have completed the 2025/26 Internal Audit Plan, with the final two audits presented to this Governance Scrutiny Group meeting.	

Appendix 1

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
Substantial 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
Limited 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE	
High 	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium 	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low 	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

FOR MORE INFORMATION:

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The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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