



Stevenage Borough Council Audit Committee

4 November 2025
Shared Internal Audit Service –
Progress Report

Recommendations

Members are recommended to:

- a) Note the Internal Audit Progress Report
- b) Note the Status of Critical, High, and Medium Priority Recommendations

Contents

1 Introduction and Background

- 1.1 Purpose
- 1.2 Background

2 Audit Plan Update

- 2.1 Delivery of Internal Audit Plan and Key Findings
- 2.4 Internal Audit Plan Changes
- 2.5 Critical, High and Medium Priority Recommendations
- 2.7 Performance Management

Appendices:

- A Progress against the 2025/26 Internal Audit Plan
- B Implementation Status of Critical, High and Medium Priority Recommendations
- C Internal Audit Plan Items (April 2025 to March 2026) - Indicative start dates agreed with management
- D Assurance Definitions / Priority Levels

1 Introduction and Background

Purpose of Report

- 1.1 To provide Members with:
- a) The progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's 2025/26 Internal Audit Plan to 17 October 2025.
 - b) The findings for the period 15 August 2025 to 17 October 2025.
 - c) Details of any changes required to the approved Internal Audit Plan.
 - d) The implementation status of previously agreed audit recommendations.
 - e) An update on performance management information to 17 October 2025.

Background

- 1.2 Internal Audit's Annual Plan for 2025/26 was approved by the Audit Committee at its meeting on 25 March 2025. The Audit Committee receive periodic updates against the Internal Audit Plan. This is the second update report for 2025/26.
- 1.3 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit function is fulfilling its statutory obligations. It is considered good practice that progress reports also include details of changes to the agreed Annual Internal Audit Plan.

2 Audit Plan Update

Delivery of Internal Audit Plan and Key Audit Findings

- 2.1 As of 17 October 2025, 38% of the 2025/26 Internal Audit Plan days have been delivered (the calculation excludes contingency days that have not yet been allocated).
- 2.2 The following final reports have been issued since 15 August 2025:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
ICT Hardware Inventory 2024/25	Aug 2025	Reasonable	Two Medium Priority
Building Security	Sept 2025	Reasonable	Three Medium and One Low Priority
Ombudsman Referrals	Sept 2025	Substantial	Two Advisory

See definitions for the above assurance levels and recommendation priorities at Appendix D.

- 2.3 The table below summarises the position regarding delivery of the 2025/26 approved projects to 17 October 2025. Appendix A provides a status update on each individual project within the 2025/26 Internal Audit Plan.

Status	No. of Audits at this Stage	% of Total Audits
Final Report Issued	6	19%
Draft Report Issued	0	0%
In Fieldwork/Quality Review	7	22%
In Planning/Terms of Reference Issued	8	25%
Allocated	6	19%
Not Yet Allocated	5	15%
Cancelled/Deferred	0	0%
Total	32	100%

Internal Audit Plan Changes

- 2.4 There has not been any Internal Audit Plan changes since it was approved by this Committee on 25 March 2025.

Critical and High Priority Recommendations

- 2.5 Members will be aware that a Final Audit Report is issued when it has been agreed ("signed off") by management; this includes an agreement to implement the recommendations that have been made.
- 2.6 The schedule attached at Appendix B details any outstanding Critical, High, and Medium priority audit recommendations. Five new Medium Priority recommendations are shown in the schedule. These recommendations are from audits of Building Security and ICT Hardware Inventory.

Performance Management

- 2.7 The 2025/26 annual performance indicators were approved at the SIAS Board meeting in March 2025.
- 2.8 The actual performance for Stevenage Borough Council against the targets that can be monitored in year is set out in the table overleaf:

Performance Indicator	Performance Target for 31 March 2026	Profiled Performance 17 Oct 2025	Actual Performance 17 Oct 2025	Notes
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excludes unused contingency)	95%	43%	38%	111 days delivered out of the current 295 days planned
2. Planned Projects * – percentage of actual completed projects to draft report stage against planned completed projects by 31 March 2026	90%	30%	19%	6 projects to draft or final report from the 32 planned
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level	90%	100%	100%	Based on the results of the 3 completed questionnaire received (from the 8 issued)
4. Number of High and Critical Priority Audit Recommendations agreed as a percentage	95%	N/A	N/A	No High Priority recommendations have been made during 2025/26

* Based on Audit Plan 'deliverables' at draft and final stage, and items carried forward from 2024/25 that were not at draft report stage by 31 March 2025.

2.9 In addition, the performance targets listed below are annual in nature. Members will be updated on the performance against these targets within a separate Annual Report:

- **5. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee. If there is no March meeting, then the Plan should be prepared for the first meeting of the financial year. This indicator was achieved for 2025/26 as the audit plan for the financial year 2025/26 was presented to the Audit Committee in March 2025.
- **6. Planned Projects** - percentage of actual completed projects to final report stage against planned completed projects.
- **7. Chief Audit Executive's Annual Report** – presented at first 2025/26 meeting of the Audit Committee. This indicator was achieved for 2025/26 as the Client Audit Manager's Annual Report (for 2024/25) was presented to the June 2025 meeting of this committee.

2.10 We currently report no risks to the delivery of a robust annual assurance opinion. However, it should be noted that SBC Plan delivery is currently behind the planned profile. This is a result of the following factors, with the position expected to be largely recovered during quarter three:

- a) Recruitment to two existing trainee auditor vacancies during quarter one, with both not starting until quarter two.
- b) Some audits being pushed back at client request, thereby altering the profile of delivery.
- c) Sickness absence of one of our Client Audit Managers, thereby impacting on the pace of delivery of some audits.
- d) Delays in our external co-sourced partner being able to commence some of their allocated audits.
- e) Some low-level anecdotal evidence of senior staff at partners experiencing capacity challenges linked to LGR. This is a known risk talking to Heads of Internal Audit who have already been through this process.

In respect of the existing gap between profiled and actual performance, this is largely attributable to delays in completing fieldwork on three audits. The audit sponsors for these audits are aware of this position.

APPENDIX A - PROGRESS AGAINST THE 2025/26 INTERNAL AUDIT PLAN

2025/26 Internal Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS *				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Key Financial Systems – 74 days									
Business Rates (shared with EHC)						74	Yes	9	ToR Issued
Council Tax (shared with EHC)							Yes		ToR Issued
Housing Benefits (shared with EHC)							Yes		ToR Issued
Treasury Management							No		Allocated
Debtors							No		Not Yet Allocated
Creditors							No		Not Yet Allocated
Payroll							No		Not Yet Allocated
Insurance	Substantial	0	0	0	2		Yes		Final Report Issued
Housing Rents							No		Not Yet Allocated
Cash & Banking							Yes		Allocated
Operational Services – 94 days									
Housing Repairs						12	Yes	4	In Fieldwork
Building Safety Compliance Checks (x2)						12	Yes	1.5	ToR Issued
Recycling						10	Yes	0	Allocated
Park & Open Spaces						10	Yes	3	In Fieldwork
Follow Up Audit Provision (x2)						10	Yes	0	Allocated
Housing Register & Allocations						10	Yes	6.5	In Fieldwork
Building Security	Reasonable	0	0	3	1	10	Yes	10	Final Report Issued
Damp & Mould						10	Yes	3	In Fieldwork
Garages	Reasonable	0	0	2	1	10	Yes	10	Final Report Issued
Corporate Services/Themes – 60 days									
Review of Audit Committee						6	Yes	4.5	In Fieldwork
Transformation/Change Management						6	Yes	0	Allocated

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AUDITABLE AREA	LEVEL OF ASSURANCE	RECS *				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Risk Management						6	Yes	0.5	In Planning
Corporate Governance						6	No	0	Not Yet Allocated
SHDF Grant Audit	Unqualified	0	0	0	0	6	Yes	6	Final Report Issued
Equality, Diversity & Inclusion						6	Yes	2.5	In Fieldwork
Social Media/Communications						8	Yes	1.5	ToR Issued
Procurement Act						8	Yes	4	In Fieldwork
Ombudsman Referrals	Substantial	0	0	0	2	8	Yes	8	Final Report Issued
IT Audits – 6 days									
Cyber Security – Reliance on Alternative Assurance						6	Yes	1.5	ToR Issued
Completion of 2024/25 Projects – 10 days									
ICT Hardware Inventory	Reasonable	0	0	2	0	10	Yes	10	Final Report Issued
Contingency – 5 days									
Contingency						5		0	Through Year
Strategic Support – 51 days									
Head of Internal Audit Annual Report						3	Yes	3	Complete
Audit Committee & Recommendation Follow Up						12	Yes	6	Through Year
Client Engagement & Adhoc Advice						8	Yes	5.5	Through Year
2026/27 Audit Planning						6	Yes	0	Allocated
SIAS Service Development						10	Yes	5	Through Year
Plan & Progress Monitoring						12	Yes	6	Through Year
SBC TOTAL		0	0	7	6	300		111	
* C = Critical Priority, H = High Priority, M = Medium Priority, LA = Low/Advisory Priority									

APPENDIX B: IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS

The following appendix provides Audit Committee Members with a summary of the most recent update provided by management in respect of any outstanding critical, high and medium priority recommendations.

No.	Report Title	Recommendation / Original Management Response	Responsible Officer / Original Due Date	Latest management update (or previous commentary where appropriate)	Status of Progress (Oct 2025)
1.	Garages.	<u>Medium Priority Recommendation:</u> To address audit findings that relate reviewing policies & procedures. We recommend that the Garage Management Services Policies and accompanying internal procedures are reviewed and updated. This should include any documentation that is published on the Council's website so that a consistent approach is accessible to all. We also suggest that this information be reviewed and updated on the Council's website to reflect that it is completed annually. <u>Agreed Management Actions(s):</u> Whilst there is a Garage Management Services policy available it is acknowledged this does not have version control or review dates documented despite being updated regularly.	Responsible Officer: Garage Manager. Due Date: 30/09/2025.	<u>October 2025.</u> Completed and procedures will now be updated on annual basis starting January 2026. Garage policy on website now states a "Review date" and master provides version control	Implemented.
2.	Garages.	<u>Medium Priority Recommendation:</u> To address audit findings that relate to policy and procedures. We recommend that the service develop an Enforcement and Recovery Policy or process document outlining a clearly defined procedure for each stage of enforcement and recovery, ensuring alignment with the Garage Management Services Policy and other relevant Council guidance. This policy should be presented to Senior Management for approval and then reviewed annually. Where feasible, an officer should prioritise the daily or weekly follow-up of outstanding debts to help ensure final bills are issued promptly. <u>Agreed Management Actions(s):</u> The need for this policy is recognised and will enable garage customers to clearly see the enforcement and recovery process when renting a garage. The back log issuing final bills to former tenants has now been cleared as of 31 July 2025. This will now be actioned weekly moving forward.	Responsible Officer: Garage Manager. Due Date: 31/10/2025.	<u>October 2025.</u> <u>Completed -</u> Enforcement Policy has been written and is now with our portfolio holder Cllr Jeanette Thomas for review. This will be made available for customers to view on https://www.stevenage.gov.uk/garages. The back log, of issuing final bills to former garage licence holders has been cleared. These are now issued on a weekly basis, and the Garage Project Officer now undertakes weekly chasing for	Implemented.

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No.	Report Title	Recommendation / Original Management Response	Responsible Officer / Original Due Date	Latest management update (or previous commentary where appropriate)	Status of Progress (Oct 2025)
				former tenant debts, following the appointment into this role at the beginning of October.	
3.	ICT Hardware Inventory 2024/25.	Medium Priority Recommendation: <u>To address audit findings that relate to governance.</u> We recommend that the Asset Management and Mobile Development Policy, currently being developed, clearly sets out the roles and responsibilities incumbent on officers managing, disposing of and checking IT assets. Agreed Management Actions(s): Management is committed to developing a comprehensive Asset Management & Mobile Device Policy by March 2026 to ensure secure, consistent, and appropriate use of mobile devices across the organisation. This will involve a phased approach including initial scoping, staff and union engagement, policy drafting, and formal approval. Key areas such as security, use of personal devices, and staff responsibilities will be addressed, including the disposal and compliance of assets. The policy will be developed collaboratively with trade unions and other stakeholders at both councils, ensuring transparency and alignment with organisational standards and regulatory requirements, supported by clear communication and training during rollout.	Responsible Officer: ICT Service Delivery Manager. Due Date: 31/03/2026.	<u>October 2025.</u> New recommendation. The management response opposite is the latest comment.	Not Yet Due.
4.	ICT Hardware Inventory 2024/25.	Medium Priority Recommendation: <u>To address audit findings that relate to record keeping.</u> We recommend that a system of cross-referencing between asset registers and other records, such as inventory lists, purchase orders or delivery notes, is implemented. This should provide the Service with more certainty regarding the location and status of assets. Agreed Management Action(s): A review of current asset management practices will be undertaken, and updated procedures will be rolled out as part of our wider governance and compliance improvements. In particular, bridging the gap between Intune Asset inventory to assets returned for disposal, assets purchased, creating an inventory list within Manage Engine.	Responsible Officer: ICT Service Delivery Manager. Due Date: 31 December 2025.	<u>October 2025.</u> New recommendation. The management response opposite is the latest comment.	Not Yet Due.

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No.	Report Title	Recommendation / Original Management Response	Responsible Officer / Original Due Date	Latest management update (or previous commentary where appropriate)	Status of Progress (Oct 2025)
5.	Building Security	<u>Medium Priority Recommendation:</u> <u>To address audit findings that relate to security policy.</u> We recommend that the Council implements a formal, Council wide Security Policy with clear processes and defined roles and responsibilities, supported by a governance structure that ensures accountability, oversight, and continuous staff awareness of security issues across all Council owned buildings. <u>Agreed Management Action(s):</u> A draft Security Policy is already in progress. This will be finalised and reviewed with input from key stakeholders, then presented for approval. The policy will set out governance structures, accountability, and staff responsibilities across all Council owned buildings.	Responsible Officer: Facilities & Compliance Manager. Due Date: 31/03/2026.	<u>October 2025.</u> New recommendation. The management response opposite is the latest comment.	Not Yet Due.
6.	Building Security	<u>Medium Priority Recommendation:</u> <u>To address audit findings that relate to buildings inventory.</u> We recommend that the Council should establish and maintain a comprehensive and detailed inventory of all Council owned buildings. This inventory should include accurate property records and incorporate references to periodic security needs assessments to ensure alignment with risk management practices. <u>Agreed Management Action(s):</u> A central master record will be created in collaboration with Estates and Facilities. This will consolidate property data into one central system (e.g. Estates spreadsheet), with fields for security requirements and risk assessment references.	Responsible Officer: Facilities & Compliance Manager. Due Date: 31/05/2026.	<u>October 2025.</u> New recommendation. The management response opposite is the latest comment.	Not Yet Due.
7.	Building Security	<u>Medium Priority Recommendation:</u> <u>To address audit findings that relate to security risk assessments.</u> The Council should implement a formal process for conducting periodic security risk assessments for all Council owned buildings. The frequency of these assessments should be proportionate to the level of security risk associated with each property (e.g. higher risk sites like Daneshill House should be assessed more frequently than lower risk sites). All assessments should be documented, with clear identification of risks and corresponding action plans. <u>Agreed Management Action(s):</u> A rolling programme of security risk assessments will be	Responsible Officer: Facilities & Compliance Manager. Due Date: 31/08/2026.	<u>October 2025.</u> New recommendation. The management response opposite is the latest comment.	Not Yet Due.

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No.	Report Title	Recommendation / Original Management Response	Responsible Officer / Original Due Date	Latest management update (or previous commentary where appropriate)	Status of Progress (Oct 2025)
		introduced. High-risk sites (e.g. Daneshill House, Cavendish Road Depot) will be prioritised for early completion, with remaining buildings assessed in line with agreed risk-based frequencies. Results will be logged and monitored against action plans.			

APPENDIX C: INTERNAL AUDIT PLAN 2025/26 – PLANNED AUDIT START DATES

April	May	June	July	August	September
IT Hardware Inventory (c/f from Q4 2024/25) Final Report Issued	Building Security Final Report Issued	SHDF Grant Audit Final Report Issued	Ombudsman Referrals Final Report Issued	Equality, Diversity & Inclusion In Fieldwork	Building Safety Checks (1) ToR Issued
Insurance Final Report Issued	Garages Final Report Issued		Housing Repairs In Fieldwork (c/f from June)	Social Media/Communication ToR Issued	Cyber Security ToR Issued
			Parks & Open Spaces In Fieldwork	Follow Up Audit (1) Allocated	Housing Register & Allocations In Fieldwork
			Review of Audit Committee (c/f from May) In Fieldwork		Damp & Mould In Fieldwork
October	November	December	January	February	March
Transformation/Change Management Allocated	Business Rates ToR Issued	Council Tax ToR Issued	Accounts Receivable Not Yet Allocated	Accounts Payable Not Yet Allocated	Building Safety Checks (2) ToR Issued
Risk Management In Planning	Housing Benefits ToR Issued	Treasury Management Allocated	Payroll Not Yet Allocated	Housing Rents Not Yet Allocated	
Procurement Act (c/f from June) In Fieldwork	Cash & Banking Allocated	Recycling (c/f from September) Allocated	Corporate Governance Not Yet Allocated	Follow Up Audit (2) Allocated	

APPENDIX D - ASSURANCE / RECOMMENDATION PRIORITY LEVELS

Audit Opinions		
Assurance Level		Definition
Assurance Reviews		
Substantial		A sound system of governance, risk management and control exist, 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		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.
Not Assessed		This opinion is used in relation to consultancy or embedded assurance activities, where the nature of the work is to provide support and advice to management and is not of a sufficient depth to provide an opinion on the adequacy of governance or internal control arrangements. Recommendations will however be made where required to support system or process improvements.
Grant / Funding Certification Reviews		
Unqualified		No material matters have been identified in relation the eligibility, accounting and expenditure associated with the funding received that would cause SIAS to believe that the related funding conditions have not been met.
Qualified		Except for the matters identified within the audit report, the eligibility, accounting and expenditure associated with the funding received meets the requirements of the funding conditions.
Disclaimer Opinion		Based on the limitations indicated within the report, SIAS are unable to provide an opinion in relation to the Council's compliance with the eligibility, accounting and expenditure requirements contained within the funding conditions.
Adverse Opinion		Based on the significance of the matters included within the report, the Council have not complied with the funding conditions associated with the funding received.
Recommendation Priority Levels		
Priority Level		Definition
Corporate	Critical	Audit findings which, in the present state, represent a serious risk to the organisation, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
Service	High	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.