Stevenage Borough Council
Audit Committee

16 September 2026
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

c) Note the Chief Audit Executive's Briefing Paper on the commissioning of an External Quality Assessment.

d) Approve the proposed revision to the wording of paragraph 7.3 of the Internal Audit Charter.

Contents

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 2026/27 Internal Audit Plan to 28 August 2026.
b) The findings for the period 1 April 2026 to 28 August 2026.
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 28 August 2026.
f) Global Internal Audit Standards – Commissioning of the SIAS External Quality Assessment.
g) Amendment to the Internal Audit Charter.

Background

1.2 Internal Audit's Annual Plan for 2026/27 was approved by the Audit Committee at its meeting on 24 March 2026. The Audit Committee receive periodic updates against the Internal Audit Plan. This is the first update report for 2026/27.

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 28 August 2026, 27% of the 2026/27 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 1 April 2026:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
Treasury Management 2025/26	June 2026	Substantial	None
Damp & Mould 2025/26	Aug 2026	Reasonable	Three Medium, Three Low/Advisory
Homes England Grant	July 2026	Unqualified	None
Freehold Garages	Aug 2026	Reasonable	Four Medium, Two Low/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 2026/27 approved projects to 28 August 2026. Appendix A provides a status update on each individual project within the 2026/27 Internal Audit Plan.

Status	No. of Audits at this Stage	% of Total Audits
Final Report Issued	4	15%
Draft Report Issued	2	7%
In Fieldwork/Quality Review	4	15%
In Planning/Terms of Reference Issued	3	11%
Allocated	3	11%
Not Yet Allocated	11	41%
Cancelled/Deferred	0	0%
Total	**27**	**100%**

Internal Audit Plan Changes

2.4 There has not been any Internal Audit Plan changes since it was approved by this Committee on 24 March 2026.

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. Seven new Medium Priority recommendations are shown in the schedule. These recommendations are from the audits of Damp & Mould and Freehold Garages.

Performance Management

2.7 The 2026/27 annual performance indicators were approved at the SIAS Board meeting in March 2026.

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 2027	Profiled Performance 28 Aug 2026	Actual Performance 28 Aug 2026	Notes
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excludes unused contingency)	95%	30%	27%	81.5 days delivered out of the current 299 days planned
2. Planned Projects * – percentage of actual completed projects to draft report stage against planned completed projects by 31 March 2027	90%	26%	22%	6 projects to draft or final report from the 27 planned
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level	90%	90%	100%	Based on the results of the 1 completed questionnaire received (from the 4 issued)
4. Staff and Training – percentage of our staff that are actively studying towards, or have obtained, a relevant professional qualification.	Head of Service and Client Audit Managers (Chief Audit Executives) – 100% All Staff – 80%	100% / 80%	HoS / CAMs – 100% All Staff – 89%	Management 6/6 (fully qualified) All Staff 16/18 (6 qualified and 10 studying for professional qualifications)
5. 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 2026/27

* Based on Audit Plan 'deliverables' at draft and final stage, and items carried forward from 2025/26 that were not at draft report stage by 31 March 2026.

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 2026/27 as the

audit plan for the financial year 2026/27 was presented to the Audit Committee in March 2026.

- **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 2026/27 meeting of the Audit Committee. This indicator was achieved for 2026/27 as the Client Audit Manager's Annual Report (for 2025/26) was presented to the June 2026 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 slightly behind the planned profile. In respect of the existing gap between profiled and actual performance, this is largely attributable to delays in completing fieldwork on the Third Party Data Security audit. The audit sponsor for the audit is aware of this position.

Global Internal Audit Standards – Commissioning of SIAS External Quality Assessment

2.11 The Global Internal Audit Standards (GIAS) place a requirement on internal audit teams and services to have a five-yearly external quality assessment (EQA) performed by a qualified independent assessor, this providing an independent assessment on compliance with the Standards. This requirement has been in place since 2013, previously related to an assessment against the Public Sector Internal Audit Standards.

2.12 As part of commissioning the EQA, the GIAS require that the Chief Audit Executive (CAE) must develop a plan for an EQA and discuss this plan with the SIAS Board and our partner Audit Committees.

2.13 To meet the above requirement, we have included a briefing for the Audit Committee within Appendix E of this report that sets out the process followed to determine the EQA approach and scope, the timing of the assessment and the outcomes of the procurement process to appoint an assessor.

Internal Audit Charter

2.14 In June 2026, the Internal Audit Charter was presented to the Committee for approval, this being an appendix within our Annual Assurance Statement and Internal Audit Annual Report. Following a query raised by another SIAS Audit Partner Audit Committee on the definition of the role of the Audit Committee within the Charter, we have noted that the current wording could give a mis-leading view of the responsibilities of the Committee.

2.15 Within the current description of stakeholders in the Internal Audit Charter (paragraph 7.3), the Charter states that 'The Audit Committee is also responsible for the effectiveness of the governance, risk, and control environment within the Council, holding operational managers to account for its delivery'.

2.16 Given the Audit Committee is not responsible for effectiveness of arrangements, more providing an oversight and challenge role, it is proposed to update the wording of the paragraph to 'The Audit Committee is a key element of the Council's governance framework, providing oversight and challenge on the adequacy and effectiveness of the Council's risk management, internal control, and governance arrangements'.

2.17 We believe this provides a more accurate representation of the actual role of the Committee. As this is the only change required to the Charter, we have not looked to re-present the Charter in full to the Committee.

APPENDIX A - PROGRESS AGAINST THE 2026/27 INTERNAL AUDIT PLAN

2026/27 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 – 54 days									
Business Rates (shared with EHC)						54	No	0	Not Yet Allocated
Council Tax (shared with EHC)							No		Not Yet Allocated
Debtors							No		Not Yet Allocated
Creditors							No		Not Yet Allocated
Payroll							No		Not Yet Allocated
Housing Rent Arrears							No		Not Yet Allocated
Operational Services – 81 days									
Anti-Money Laundering						10	Yes	9.5	Draft Report Issued
Events Planning						10	No	0	Not Yet Allocated
Facilities Management – Building Safety						10	No	0	Not Yet Allocated
Freehold Garages	Reasonable	0	0	4	1	10	Yes	10	Final Report Issued
Homelessness						10	Yes	2.5	In Fieldwork
Housing Major Refurbishment Contracts						10	Yes	9.5	Draft Report Issued
Housing Safety Compliance Checks						10	Yes	5	In Fieldwork
Homes England Grant Audit	Unqualified	0	0	0	0	3	Yes	3	Final Report issued
Pre-employment Screening/Agency Staff						8	No	0	Not Yet Allocated
Corporate Services/Themes – 86 days									
Third Party Data Security						10	Yes	8	In Fieldwork
Asset Management						10	Yes	1.5	ToR Issued
Business Change - Governance						10	No	0	Not Yet Allocated
Community Infrastructure Levy						11	Yes	0.5	In Planning
Fraud Risk Assessment						10	Yes	1	In Planning
LGR Provision						15	No	0	Not Yet 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				
Outsourced Services/Supplier Resilience						12	Yes	0	Allocated
Risk Management						8	No	0	Not Yet Allocated
IT Audits – 16 days									
Cyber Security – Reliance on Alternative Assurance						6	Yes	0	Allocated
Accessibility Regulations - Digital						10	Yes	0	Allocated
Audit Follow Up – 6 days									
Follow Up of Prior Year Audits						6	Yes	1.5	In Fieldwork
Completion of 2025/26 Projects – 10 days									
Treasury Management	Substantial	0	0	0	0	3	Yes	3	Final Report Issued
Damp & Mould	Reasonable	0	0	3	3	7	Yes	7	Final Report Issued
Contingency – 1 day									
Contingency						1		0	Through Year
Strategic Support – 46 days									
Chief Audit Executive Annual Opinion						3	Yes	3	Complete
Audit Committee & Recommendation Follow Up						12	Yes	4	Through Year
Client Engagement & Adhoc Advice						8	Yes	2.5	Through Year
2027/28 Audit Planning						6	Yes	0	Allocated
SIAS Service Development						5	Yes	5	Allocated
Plan & Progress Monitoring						12	Yes	5	Through Year
SBC TOTAL		**0**	**0**	**7**	**4**	**300**		**81.5**	

* C = Critical Priority, H = High Priority, M = Medium Priority, LA = Low/Advisory Priority

APPENDIX B: IMPLEMENTATION STATUS OF CRITICAL, 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 (Aug 2026)
1.	**Building Security**	**Medium Priority Recommendation:** To address audit findings that relate to security policy. 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. **Agreed Management Action(s):** 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. **Revised to** 31/10/2026.	August 2026. An Estates Building Security Policy has now been developed. This is supported by an Estates Security Framework, Security Manual and a suite of operational documents covering areas including CCTV, commercial property keys, void property management, and body worn cameras. Together, these documents establish the proposed governance arrangements, responsibilities, security controls, and operational processes across corporate, commercial, and void properties. Further stakeholder consultation and formal approval are required before the policy and supporting framework can be fully implemented and communicated across the Council.	Partially implemented.
2.	**Building Security**	**Medium Priority Recommendation:** To address audit findings that relate to buildings inventory. 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	**Responsible Officer:** Facilities & Compliance Manager.	August 2026. A central Estates Portfolio workbook has been compiled, bringing together the Council's Corporate	Partially 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 (Aug 2026)
		incorporate references to periodic security needs assessments to ensure alignment with risk management practices. **Agreed Management Action(s):** 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.	**Due Date:** 31/05/2026. **Revised Date:** 30/11/2026.	Portfolio, Commercial Portfolio and Neighbourhood Parades. The workbook contains property and building references, names and addresses, postcodes, building types and relevant tenancy information. This provides the central property dataset required by the recommendation. Further work is required to validate and consolidate the information into a consistent building-level inventory and add fields recording relevant security requirements, security risk assessment references, and review dates.	
3.	**Building Security**	**Medium Priority Recommendation:** To address audit findings that relate to security risk assessments. 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. **Agreed Management Action(s):** A rolling programme of security risk assessments will be 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.	**Responsible Officer:** Facilities & Compliance Manager. **Due Date:** 31/08/2026. **Revised Date:** 31/01/2027.	August 2026. The Estates Building Security Policy, Security Framework and Security Manual establish the proposed risk-based approach to building security assessments. The framework includes provision for a standard security risk assessment template and security risk register, with assessments taking account of building use, public access, occupancy, location, previous incidents, and other	Partially implemented.

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				relevant vulnerabilities. An initial security risk assessment has been developed for Daneshill House. The next stage is to finalise the standard assessment and recording arrangements, assign appropriate risk classifications across the portfolio and establish the rolling programme. Higher-risk and operationally sensitive locations, including Daneshill House and Cavendish Road Depot, will be prioritised before progressing through the remaining portfolio according to assessed risk. Identified actions will be recorded, allocated and monitored through the security risk register.	
4.	**Review of Audit Committee**	**Medium Priority Recommendation:** To address audit findings relating to completing an annual self-assessment. We recommend that the arrangements regarding the annual self-assessment, particularly the retention and accessibility of its results, are reviewed and strengthened to ensure that any risks identified because of the exercise can be monitored and managed appropriately. **Agreed Management Action(s):** The Annual Self-Assessment exercise was not completed due to the departure of the previous Assistant Director of Finance & Deputy S151 Officer. The new postholder will ensure this is incorporated into the work programme going forward so that it is completed each year as	**Responsible Officer:** Director Finance & Deputy S151 Officer. **Due date:** March each year.	August 2026. An Annual Report was provided at the last committee meeting.	Implemented.

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		part of our governance and assurance processes.			
5.	**Housing Repairs**	**Medium Priority Recommendation:** To address audit findings relating to segregation of duties. We recommend that: • The contractor portal is configured to prevent the same user completing multiple key stages, ensuring a segregation of duties throughout the ordering and payment process, with exception reporting to management for any overrides. Periodic reviews occur of this until portal controls are proven effective. • Segregation of duties expectations are reinforced in procedural documents for contractor management. **Agreed Management Action(s):** Configuration of the portal itself is not possible, but segregation of duties, approval limits and processes will be reviewed, and changes will be implemented on NEC. Procedural documents will be produced in line with the end-to-end process review in collaboration with the Business Change team. The final timetable is yet to be confirmed but in the interim any/all changes made will be communicated to all once finalised.	**Responsible Officer:** Head of Repairs & Maintenance. **Due date:** 31/08/2026. **Revised to** 31/12/2026.	August 2026. A review of existing approval processes and controls has been completed, with revised workflows and approval arrangements implemented within NEC to strengthen segregation of duties. Procedural guidance is currently being developed as part of the wider end-to-end process review with the Business Change Team. Progress on this element has been slower than anticipated due to resource constraints; however, interim management checks and approval limits remain in place to mitigate risk until the documentation is finalised.	Partially implemented.
6.	**Housing Repairs**	**Medium Priority Recommendation:** To address audit findings relating to evidence of work completed. We recommend that: • A verification & evidence standard is created, applicable to all contractors, tailored where necessary, stating that no payment is made without the defined evidence uploaded to NEC/portal. • Formalise the >£500 evidence rule in procedure and introduce system hard stops so a verification cannot be completed without required evidence attached. **Agreed Management Action(s):** Once all the contractors are on the portal, there will be joint reviews/workshops with the contractors to agree how best works will be delivered. At this stage a Verification and Evidence standard will	**Responsible Officer:** Head of Repairs & Maintenance. **Due date:** 31/08/2026. **Revised to** 31/12/2026.	August 2026. All contractors were onboarded to the contractor portal by July 2026. Work is now focused on embedding a consistent Verification and Evidence Standard across all contractors. Progress has been impacted by the recruitment of a replacement Repairs Manager, which has limited capacity to drive this work forward at the original	Partially implemented.

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		also be agreed and produced and any possible hard stops introduced.		pace. In the interim, existing evidence requirements remain in place, and opportunities to strengthen system controls and validation checks continue to be reviewed as part of the contractor onboarding and assurance process.	
7.	**Housing Repairs**	**Medium Priority Recommendation:** To address audit findings relating to analysing training needs. We recommend that: • A training needs analysis and programme is created, to minimise risk of inconsistent practice and control lapses when processes or systems change. • A further training register is introduced past the induction list by role with expiry / refresh points detailed. **Agreed Management Action(s):** There is a Corporate Project about to commence to undertake training reviews and produce training matrices across various departments. This is expected to be undertaken in Q2. In conjunction with this project, and not to double hand, the training required as in the finding will be incorporated and then budgeted for and delivered.	**Responsible Officer:** Head of Repairs & Maintenance. **Due date:** 31/03/2027.	August 2026. This recommendation remains on track and is not yet due. The action will be delivered through the corporate training review and competency framework project, which will establish a consistent organisational approach to training needs analysis, competency management and training records across the Council. However, locally within the Repairs & Maintenance Service, work has already progressed in advance of the corporate programme. An extensive training and competency matrix is already in place for operational staff, covering mandatory, statutory and role-specific (mostly Health and Safety) requirements. In addition, a training matrix has now been developed for	Not yet due.

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				office-based staff to ensure that training, competence and refresher requirements are clearly defined across all roles within the service. The corporate project will be used to further strengthen and align these arrangements with the wider Council framework, including role-based competencies, refresher training requirements and ongoing maintenance of training records.	
8.	**Procurement Act**	**Medium Priority Recommendation:** To address audit findings relating to training. We recommend that: The service introduces a structured framework to improve procurement training uptake and consistency by: • Making essential courses mandatory for staff in relevant roles, including Contract Management and Intend. • Establishing a formal process for managers to identify and nominate employees who require training. • Enhancing communication and visibility of training opportunities through multiple channels (e.g. intranet, email notifications, team briefings). **Agreed Management Action(s):** Feedback from L&OD is that making courses mandatory doesn't always increase attendance as there are no sanctions for non-attendance or last-minute cancellation. It is not possible to identify who needs to go onto the courses by their job description alone. The intend course needs to be done shortly before users need to use it to be affective. The fact that the courses exist and who should go on them will be further promoted by cascading via SLT to 4th tier managers every six months, promoted to attendees of the contract and procurement group quarterly which is a group of the most prolific	**Responsible Officer:** Procurement Manager. **Due date:** 30/09/2026.	August 2026. Complete.	Implemented.

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		procuring officers from a variety of directorates who are expected to be a conduit for procurement best practice in their directorate. For intend the training dates will be added to the booking form used for the other courses. The booking form will be added to the intranet.			
9.	**Procurement Act**	**Medium Priority Recommendation:** To address audit findings relating to capacity. We recommend that: The Council establish a formal monitoring and reporting framework for the Co-operative Procurement Strategy 2025–2028 by: • Defining measurable targets for each Outcome Delivery. • Implementing periodic reviews (e.g. quarterly or biannual) to assess progress against these targets. • Introducing formal reporting to senior management, providing assurance on implementation and achievement of intended outcomes. This will ensure accountability, enable timely corrective actions, and demonstrate that the strategy is delivering its objectives. **Agreed Management Action(s):** The procurement team has had a growth bid approved to enable more resource to be employed from April 26. This will allow us to give more focus on reporting outcomes from the procurement strategy	**Responsible Officer:** Procurement Manager. **Due date:** Once new resource is employed and Trained, so six months from start date: Define targets. One year from start date: Report to senior management and start periodic biannual reporting schedule.	August 2026. Advertising for the new resource during August.	Not yet due.
10.	**Waste Recycling**	**Medium Priority Recommendation:** To address audit findings relating to capacity. We recommend that Management should ensure that periodic contract monitoring meetings are held with external contractors to ensure agreed issues and actions are formally documented and implemented. This measure could help capture strategic decisions, proactive recycling efforts to take current performance to higher levels, even if KPIs are being met.	**Responsible Officer:** Head of Service – Environmental Operations – Stevenage Direct Services.	August 2026. Remains work in progress.	Not yet 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 (Aug 2026)
		Agreed Management Action(s): Will engage with the suppliers to arrange quarterly meetings.	**Due date:** 30/06/2026. **Revised to** 31/12/2026.		
11.	**Accounts Payable.**	**Medium Priority Recommendation:** To address audit findings relating to segregation of duties. We recommend that the Council explore whether system controls can be configured to strengthen segregation of duties for supplier addition and amendments. This may include: • Restricting permissions so that higher risk actions (e.g. approving or validating supplier or bank detail changes) sit with the Team Leader, with AP officers responsible for data entry only and/or, • Introducing workflows so that changes, particularly bank detail updates, are sample reviewed by a separate officer. Where such system restrictions are not currently proportionate or feasible, a secondary checker control could instead be applied through periodic spot checks of supplier amendments. However, we note that manual checks are inherently less secure than system enforced controls and should be viewed as a fallback option. **Agreed Management Action(s):** The system does have a notification workflow for when supplier Masterfile records are changed. This includes bank details. This can be configured to go to the AP Team Leader. We will explore systems enforced segregation of duties using the system's authorisation module.	**Responsible Officer:** Accounts Payable Team Leader. **Due date:** 31/05/2026.	August 2026. Complete. New suppliers are entered/changed. AP team leader receives an email notification. These are then checked and signed off by a second person.	Implemented.
12.	**Accounts Payable.**	**Medium Priority Recommendation:** To address audit findings relating to retrospective purchase orders. We recommend that the Council develops a simple, documented policy setting out when retrospective Purchase Orders (POs) are appropriate, such as for genuine urgent or unplanned works, and the controls that should apply in those cases. In addition, the Council should consider introducing proportionate monitoring of retrospective PO activity, such as periodic review of reports or analysing trends to help identify recurring themes, non-compliance, or areas where further guidance or process improvements may be needed.	**Responsible Officer:** Accounts Payable Team Leader. **Due date:** 30/06/2026.	August 2026. Work in Progress.	Not Yet Implemented.

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		This will help ensure that spend is authorised in advance wherever possible, support compliance with Financial Regulations, and reduce the risk of unplanned budget commitments. **Agreed Management Action(s):** Agree with the requirement for a policy. We would need to establish the benefits verses the work involved in regularly monitoring retrospective POs.			
13.	**Accounts Payable.**	**Medium Priority Recommendation:** To address audit findings relating to supplier amendments. We recommend that We recommend strengthening the controls and evidence requirements for supplier amendments by: • Ensuring that evidence of independent phone calls to suppliers are retained for supplier bank detail changes. • Implementing a secondary checker control within Accounts Payable for all supplier amendments, or at least for high-risk changes such as bank-detail updates. • Aligning amendment checks to any future system-based workflow or approval route would allow reviews to be triggered automatically. • Investigate the case identified for supplier (00393800), where the bank detail information shown on the supplier form does not match the details currently held on the system. This approach will improve assurance over the accuracy and legitimacy of supplier amendments and reduce the likelihood of errors or inappropriate changes being processed. **Agreed Management Action(s):** 00393800 investigated. The call-back with the suppliers was done, just not recorded. A system-based workflow exists but will need configuration.	**Responsible Officer:** Accounts Payable Team Leader. **Due date:** 30/04/2026.	August 2026. Complete. A workflow email is sent to AP team leader. Any amendment is checked by a second person.	Implemented.
14.	**Social Media.**	**Medium Priority Recommendation:** To address audit findings relating to Policy. We recommend that the Council should update the Social Media Policy to include all social media platforms for which the Marketing and Communications Team holds responsibilities in, including LinkedIn. The Policy should be amended to direct readers to other relevant teams within the Council for social media accounts, such as YouTube, which fall outside the scope of the Communication and	**Responsible Officer:** Head of Communications & Marketing. **Due Date:** 08/05/2026.	August 2026. Work in progress to be finalised end of September 2026.	Not yet implemented.

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		Marketing Team's responsibilities. An annual review and approval process should be established to confirm the relevance and appropriateness of each of the Council's social media platforms to support its continued use. The Council should implement a centralised system to record actions and next steps arising from monthly SLT meetings. This system should comprehensively record the responsible individual, associated deadlines, and progress updates for each task, thereby ensuring timely follow-up and completion of actions. **Agreed Management Action(s):** Agreed.	**Revised to** 30/09/2026.		
15.	**Social Media.**	**Medium Priority Recommendation:** To address audit findings relating to record keeping. We recommend that the Council should implement a centralised system to record actions and next steps arising from monthly SLT meetings. This system should comprehensively record the responsible individual, associated deadlines, and progress updates for each task, thereby ensuring timely follow-up and completion of actions. **Agreed Management Action(s):** Agreed.	**Responsible Officer:** Head of Communications & Marketing. **Due Date:** 08/05/2026. **Revised to** 30/09/2026.	August 2026. Work in progress to be finalised end of September 2026.	Not yet implemented.
16.	**Payroll.**	**Medium Priority Recommendation:** To address audit findings relating to procedure documents. We recommend that the Council should consider creating an overarching payroll procedural document that incorporates all individual payroll policies and procedures as well as a clear schedule that outlines the frequency of reviews. **Agreed Management Action(s):** Many of the policies that are out of date are that way as they are no longer used, for example the manual processing of KIT days, the system now does this, so the procedural documents are not in use for this. However we acknowledge that this is not clear and better filing of policy and procedure is required. We will undertake a review of all documents and delete or archive those no longer relevant. Pay policies such as Paternity and Maternity were reviewed while the audit was taking place in line with the statutory changes for April 2026.	**Responsible Officer:** Payroll Lead. **Due Date:** 26/06/2026. **Revised to:** Not known at present.	August 2026. The recommendation is still work in progress. Payroll are currently reviewing the payroll procedure notes and removing or archiving any that are no longer needed due to system changes or changes in the way processes are carried out. This work is also part of a wider IT document storage transition and document clean-up project, so the opportunity is being taken to	Not yet implemented.

APPENDIX B: IMPLEMENTATION STATUS OF 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 (Aug 2026)
				review and reorganise the payroll documentation. Once complete, we will make sure the remaining procedure notes are up to date and clearly organised. We are still working through the wider document storage project, so we will confirm a revised completion date once we have a clearer timescale.	
17.	**Cyber Security.**	**Medium Priority Recommendation:** To address audit findings relating to cyber risk management policy. It is recommended that the ICT Cyber Risk Management Policy is completed and finalised, including clear guidance on how cyber risks should be identified, assessed and evaluated using the corporate risk matrix. This will provide a structured and consistent approach for staff involved in cyber risk management across the Council. As part of this work, the Council should collaborate to develop and formally approve a cyber risk appetite statement, ensuring it aligns with the broader corporate risk framework. This should set out the level of cyber risk the Council is willing to accept and support consistent prioritisation and escalation of cyber-related issues. Once completed and approved, both the policy and risk appetite should be communicated to relevant staff, supported where necessary by briefings or training, to reinforce consistent application across the shared IT service and strengthen the governance of cyber risk. **Agreed Management Action(s):** The ICT Cyber Risk Management Policy has been formally approved and provides a consistent framework for identifying, assessing and managing cyber risks using the corporate risk matrix. In response to the audit recommendations, the policy will be further refined to strengthen practical guidance, clarity of application and alignment with shared service arrangements. As part of this improvement activity, a shared cyber risk appetite statement will be developed and aligned to the Council's corporate risk framework, and the updated policy and	**Responsible Officer:** Cyber Security Manager. **Due Date:** 31/07/2026.	August 2026. No update provided.	Not yet implemented.

APPENDIX B: IMPLEMENTATION STATUS OF 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 (Aug 2026)
		risk appetite will be communicated to relevant staff to reinforce consistent application and strengthen cyber risk governance across the Council.			
18.	**Cyber Security.**	**Medium Priority Recommendation:** To address audit findings relating to risk registers. It is recommended that the ICT Operational Risk Register is reinstated into a routine, formally governed review cycle so that risk ratings, action owners and due dates are consistently refreshed. This should include resetting overdue actions with realistic timelines and ensuring there is clear escalation where progress is not made. The Cyber Risk Register should be fully populated using the Councils' approved corporate risk matrix and definitions, ensuring all relevant cyber threats, control gaps and mitigation actions are captured in a consistent and structured format. The completed register should clearly assign accountable owners, target dates and any interdependencies, and should align with the broader IT Operational Risk Register where risks overlap. Both registers should then be embedded into existing shared service governance arrangements, supported by standardised reporting on risk trends, overdue actions and risk acceptance decisions. This will ensure that senior stakeholders receive consistent and reliable assurance over the management of cyber risks across both Councils. **Agreed Management Action(s):** The ICT Operational and Cyber Risk Registers will be reinstated and maintained through a formal, routine governance cycle to ensure risks, ownership and target dates remain current, with clear escalation of overdue actions. Both registers will be aligned, embedded into shared service governance and supported by standardised reporting, providing senior stakeholders with clear and consistent assurance over the management of cyber risk across both Councils.	**Responsible Officer:** IT Ops Team Leads. **Due Date:** 30/10/2026.	August 2026. No update provided.	Not yet due.
19.	**Cyber Security.**	**Medium Priority Recommendation:** To address audit findings relating to sources of alternative assurance. It is recommended that the shared IT service develops a consolidated view of all cyber-related alternative assurance activity, including external audits, regulatory assessments, internal reviews and any other relevant sources. This should include mapping findings, actions,	**Responsible Officer:** Cyber Security Manager. **Due Date:**	August 2026. No update provided.	Not yet due.

APPENDIX B: IMPLEMENTATION STATUS OF 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 (Aug 2026)
		responsible owners, due dates and completion status to provide a single, coherent overview. The consolidated view should be incorporated into routine reporting for the shared governance structure, ensuring that senior stakeholders across both Councils receive regular updates on progress, outstanding issues and any recurring or thematic risks identified through assurance activities. This approach would strengthen transparency, support prioritisation of resources and help ensure that the shared service can clearly demonstrate comprehensive and consistent cyber assurance coverage across both organisations. **Agreed Management Action(s):** We will establish and maintain a consolidated cyber assurance register and supporting dashboard that brings together all cyber related assurance activity across both Councils, including audits, reviews and other assurance sources. This consolidated view will be published via the new Cyber Intranet webpage to improve transparency, provide wider organisational visibility and support consistent oversight of assurance activity and remediation progress.	30/10/2026.		
20.	**Cyber Security.**	**Medium Priority Recommendation:** To address audit findings relating to action tracking. It is recommended that the Council develops a formal action plan to address the findings from the URM Cyber Essentials readiness assessment, ensuring that all remediation tasks are assigned to appropriate owners with clear target dates. The action plan should be routinely monitored through established governance forums to ensure timely completion and consistent progress across the shared service. The Council should also review and incorporate the KPI recommendations into their existing cyber reporting arrangements. This should include metrics such as patching compliance percentages, malware protection coverage and compliance trends over time, enabling improved oversight and a stronger evidence base for decision making. This will support more effective monitoring of cyber risk reduction efforts and improve the Councils' overall readiness for achieving Cyber Essentials certification. **Agreed Management Action(s):** These requirements will be delivered through the Councils' established cyber assurance programme, which provides the	**Responsible Officer:** Cyber Security Manager. **Due Date:** 31/07/2026.	August 2026. No update provided.	Not yet implemented.

APPENDIX B: IMPLEMENTATION STATUS OF 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 (Aug 2026)
		overarching framework for improving Cyber Essentials readiness. A shared action plan will be maintained to ensure remediation activity is prioritised, clearly owned and consistently monitored across the shared service, with progress reported through existing governance arrangements. Cyber performance reporting will be strengthened through the inclusion of Cyber Essentials aligned KPIs, such as patching compliance, malware protection coverage and compliance trends over time, providing senior leadership with clear, evidence-based assurance on cyber risk reduction and organisational readiness for certification.			
21.	**Damp & Mould.**	**Medium Priority Recommendation:** To address audit findings relating to record keeping. We recommend that the service should establish and communicate minimum record-keeping requirements for damp and mould cases, ensuring that key documents and evidence are consistently retained within the Council's primary case management system. This should include, as a minimum: • Inspection and survey reports. • Tenant communications and notifications (including when survey reports are issued to tenants). • Contractor instructions and works orders. • Appointment and attendance records. • Evidence of completed works. • Records supporting compliance with legislative timescales. Management should undertake periodic quality assurance reviews to confirm that case files contain sufficient evidence to support decision-making, performance reporting and regulatory compliance. **Agreed Management Action(s):** The service acknowledges the finding and agrees that consistent evidence retention is essential to demonstrate compliance with Awaab's Law, regulatory expectations and Ombudsman scrutiny. Whilst all damp and mould activity has transitioned onto NEC from June 2026, the Council recognises that system implementation alone will not resolve audit trail weaknesses unless the NEC document management facility is also fully utilised: capturing inspections, resident communications, contractor instructions, attendance records,	**Responsible Officer:** Asif Khan / Repairs Manager (Contracts) **Due Date:** 30/06/2026.	August 2026. This is a new recommendation and therefore the latest position.	Not yet due.

APPENDIX B: IMPLEMENTATION STATUS OF 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 (Aug 2026)
		survey reports, risk assessments and evidence of completed work. A supporting process and associating minimum standard document will be produced to enable and support the relevant staff top ensure this. The Manager responsible for Damp and Mould (Repairs Manager - Contracts) and the Repairs Management Team will also undertake monthly quality assurance reviews of a sample of cases to verify compliance with record-keeping requirements and identify learning opportunities. Findings and trends will be reported through existing performance and governance arrangements. These measures will provide assurance that the Council can evidence compliance, support effective case management and respond robustly to future regulatory, legal and Ombudsman enquiries.			
22.	**Damp & Mould.**	**Medium Priority Recommendation:** To address audit findings relating to case tracking and data quality. We recommend that the service should review and strengthen its arrangements for monitoring damp and mould cases to ensure that case information, performance data and compliance monitoring are based on a single, accurate and auditable source of information. Consideration should be given to reducing reliance on the current spreadsheet-based tracker and maximising the use of system-based functionality within NEC or implementing an alternative case management solution capable of monitoring case progression, statutory deadlines, actions and outcomes in a controlled and consistent manner. We further recommend the service also: • Define clear ownership and accountability for maintaining case records. • Establish mandatory recording requirements for key case milestones. • Introduce regular reconciliations and data quality reviews to identify discrepancies between systems. • Ensure sufficient supporting evidence is retained for all key actions and decisions. • Implement periodic management validation of KPI data against underlying case records and supporting documentation. **Agreed Management Action(s):** The service accepts the finding and recognises that robust case	**Responsible Officer:** Asif Khan / Repairs Manager (Contracts) **Due Date:** 31/12/2026.	August 2026. This is a new recommendation and therefore the latest position.	Not yet due.

APPENDIX B: IMPLEMENTATION STATUS OF 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 (Aug 2026)
		management depends on accurate, complete and auditable information. The current use of NEC alongside supplementary tracking arrangements has reflected a period of transition following contractor mobilisation and the establishment of the Damp and Mould service post Awaab's. The Council will review the end-to-end case management process and implement a single source of truth approach wherever possible, reducing duplication and strengthening data integrity. To achieve this it is also looking into alternative case management systems which may support this better. Clear ownership will be established for key case milestones, with mandatory recording requirements introduced for inspections, risk assessments, communications, actions, outcomes and statutory timescales. Monthly data quality reviews and reconciliations will also be undertaken to validate key performance information and identify discrepancies. Findings will be reported through management oversight arrangements and corrective actions tracked to completion. In parallel, the service will continue to work with Housing Asset Management to improve the sharing of stock condition intelligence and support a more holistic understanding of damp and mould risks across the housing stock. These actions will look to strengthen governance, improve confidence in reported performance and provide greater assurance over compliance monitoring.			
23.	**Damp & Mould.**	**Medium Priority Recommendation:** To address audit findings relating to the identification of emergency damp & mould hazards. We recommend the service should strengthen arrangements for the identification and escalation of emergency damp and mould cases to ensure that significant hazards are recognised and acted upon at the earliest opportunity. This should include: • Reviewing and clearly documenting emergency classification criteria and escalation thresholds. • Providing refresher training and awareness sessions for officers involved in identifying, assessing and referring damp and mould	**Responsible Officer:** Asif Khan / Repairs Manager (Contracts) **Due Date:** 30/11/2026.	August 2026. This is a new recommendation and therefore the latest position.	Not yet due.

APPENDIX B: IMPLEMENTATION STATUS OF 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 (Aug 2026)
		cases, including relevant council officers, surveyors and other frontline housing staff. • Periodically reviewing escalated cases and near misses to identify learning opportunities and improve consistency of decision making. This will provide greater assurance that emergency hazards are identified promptly, risks to tenants are minimised, and legislative response requirements are met from the earliest point at which a hazard is identified. **Agreed Management Action(s):** The service accepts the finding and recognises the importance of consistently identifying and escalating emergency damp and mould hazards at the earliest opportunity. A review of current triage, risk assessment and escalation arrangements is already underway through a cross-service task and finish group involving Repairs, Damp and Mould, Housing and Customer Services. As part of this review, which is likely to expand to Awaab's Phase 2, a revised risk-based assessment framework will be developed, clearly defining escalation triggers, vulnerability considerations and emergency intervention thresholds. Updated guidance will be supported by staff training and reinforced through regular case reviews. The service will also introduce a formal quality assurance process for higher-risk cases, including management review of emergency classifications, near misses and lessons learnt. Learning outcomes will be shared across relevant teams to improve consistency and decision making. These improvements will strengthen the Council's ability to identify significant hazards promptly; ensure vulnerable residents receive an appropriate response and provide assurance that legislative requirements are being met consistently.			
24.	**Freehold Garages.**	**Medium Priority Recommendation:** To address audit findings relating to payment terms. We acknowledge that the Service have already attempted to increase monthly repayment terms with freeholders without large success. As such we recommend that the Service complete a review of the	**Responsible Officer:** Garages Manager.	August 2026. This is a new recommendation and therefore the latest position.	Not yet due.

APPENDIX B: IMPLEMENTATION STATUS OF 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 (Aug 2026)
		Project Plan for accuracy, with particular attention given to the - Payment Arrangements. - Monthly Payment. Where values calculated differ from terms or monthly payment values confirmed via written letters to the freeholder, the Service should ensure they confirm the correct amounts per month are being received and update records accordingly. **Agreed Management Action(s):** Agreed.	**Due Date:** 13/11/2026.		
25.	**Freehold Garages.**	**Medium Priority Recommendation:** To address audit findings relating to payments received. We recommend that the Service should ensure where possible that they clearly document within communication to the freeholder the: - agreed monthly payment terms with freeholders. - confirmation of terms of payment and expected end date for payments in schedule format. The Service should continue to complete regular checks of customer accounts to ensure payments are received accordingly. **Agreed Management Action(s):** Agreed.	**Responsible Officer:** Garages Manager. **Due Date:** 13/11/2026.	August 2026. This is a new recommendation and therefore the latest position.	Not yet due.
26.	**Freehold Garages.**	**Medium Priority Recommendation:** To address audit findings relating to alternative arrangements. Where alternative arrangements have been informally agreed, we recommend the Service formalise the process by which they approve changes to terms to include: - update to the project plan - copy of communication with the freeholder saved down accordingly. -approval by a secondary Garages team member This ensuring full traceability of decisions agreed after issue of original terms. **Agreed Management Action(s):** Agreed.	**Responsible Officer:** Garages Manager. **Due Date:** 13/11/2026.	August 2026. This is a new recommendation and therefore the latest position.	Not yet due.
27.	**Freehold Garages.**	**Medium Priority Recommendation:** To address audit findings relating to enforcement. We recommend that the Service complete a review of outstanding debtors' invoice to confirm accuracy of total amount payable on	**Responsible Officer:** Garages Manager.	August 2026. This is a new recommendation and therefore the latest position.	Not yet due.

APPENDIX B: IMPLEMENTATION STATUS OF 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 (Aug 2026)
		invoices in advance of closure of the customer accounts. Should there be discrepancies identified, we recommend the Service should re-confirm the amount payable. **Agreed Management Action(s):** Agreed.	**Due Date:** 13/11/2026.		

APPENDIX C: INTERNAL AUDIT PLAN 2026/27 – PLANNED AUDIT START DATES

Quarter 1			Quarter 2		
Carry Forward 2025/26 **Final Report x 2 Issued**	**Freehold Garages** **Final Report Issued**		**Supplier Resilience** **Allocated**	**Homes England Grant** **Final Report Issued**	
Anti Money Laundering **Draft Report Issued**			**Asset Management** **ToR Issued**	**Housing MRC** **Draft Report Issued**	
Third Party Data Security **In Fieldwork**			**Housing Safety Checks** **In Fieldwork**	**Follow Up (1)** **In Fieldwork**	
			Homelessness **In Fieldwork**		
Quarter 3			**Quarter 4**		
Council Tax **Not Yet Allocated**	**Accessibility Regs** **Not Yet Allocated**		**Payroll** **Not Yet Allocated**	**Business Change** **Not Yet Allocated**	
Business Rates **Not Yet Allocated**	**CIL** **In Planning (c/f from Q1)**		**Accounts Payable** **Not Yet Allocated**	**Follow Up Audit (2)** **Not Yet Allocated**	
Risk Management **Not Yet Allocated**	**Fraud Risk Management** **In Planning (c/f from Q1)**		**Accounts Receivable** **Not Yet Allocated**		
Pre-Employment Checks **Not Yet Allocated**	**FM Building Compliance** **Not Yet Allocated**		**Housing Rent Arrears** **Not Yet 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.

APPENDIX E - SIAS External Quality Assessment Plan – Briefing Paper

The Audit Committee is asked to note the Chief Audit Executive's (Client Audit Manager) Briefing Paper for the performance of an External Quality Assessment, including:

a) The requirements of the professional standards enshrined in the Accounts and Audit Regulations 2015,
b) Selection of an external assessor,
c) The rationale for electing to have a validated self-assessment rather than an EQA,
d) The scope and timeframe of the assessment, and
e) The competencies and independence of the external assessor or assessment team.

Summary

1. In accordance with Standard 8.4 of the Global Internal Audit Standards (GIAS) and considering the Public Sector Application Note, which outlines a framework for internal audit practices in the UK public sector alongside GIAS, the Chief Audit Executive (CAE) is required to develop a plan for an External Quality Assessment (EQA). This paper sets out the plan for the EQA.

2. An External Quality Assessment (EQA) is an independent evaluation performed by an external party to assess the effectiveness and quality of an organisation's internal audit function. The objective of an EQA is to determine whether the internal audit function adheres to established professional standards, operates efficiently, and contributes value to the organisation. Consequently, the EQA provides assurance to stakeholders, including senior management and the Audit Committee, that the internal audit function is performing effectively and in line with best practices.

3. The Shared Internal Audit Service's (SIAS) last EQA was conducted and reported to SIAS Board in June 2021, with reporting to partner Audit Committees taking place in the Autumn 2021 committee cycle. SIAS are due its next EQA from June 2026, given the requirement in the GIAS to have one every five years.

Why have an EQA?

4. In all authorities, senior management, audit committees and chief audit executives should seek to obtain high-quality assurance, learning and improvement from the EQA, together with value for money. A statement of conformance against the professional standards is not only a matter of meeting legislative and professional requirements; it provides essential assurance over the conduct of internal audit and its governance and is an opportunity to seek improvement. It enables audit committees and senior managers to place reliance on the work of internal audit. Recommendations from the assessor could support both internal audit and those providing the governance of internal audit.

Requirements of the GIAS in the UK Public Sector (see Appendix 1)

5. The GIAS require that the CAE must develop a plan for an EQA and discuss this plan with the SIAS Board and our partner Audit Committees. The external assessment must be conducted at least once every five years by a qualified, independent assessor or assessment team. The requirement for an EQA may also be met through a self-assessment with independent validation. This requirement has been in place since 2013, with the introduction of the previous Public Sector Internal Audit Standards.

6. The GIAS require receipt of complete results of the EQA or self-assessment with independent validation directly from the external assessor. The SIAS Board and partner Audit Committees must review and approve the CAE's plans to address identified deficiencies and opportunities for improvement, establish a timeline for implementation of actions and monitor progress.

Requirements of CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government (see Appendix 3)

7. The Audit Committee should note senior management's / SIAS Board's role to ensure that:

- Internal audit has an EQA at least once every five years of its conformance against GIAS in the UK Public Sector, including the CIPFA Code.
- They discuss the CAE's plan for the EQA and report the options, suggested timing and their recommendation to the Audit Committee.
- Where the authority is the client of an internal audit provider, (shared service, partnership or outsourced functions), then agreement on the approach to the EQA will need to take account of the broader arrangements. To achieve this, the approach is agreed through the SIAS Board before briefing the respective Audit Committees.

8. The Audit Committee should receive the complete results of the EQA and consider the CAE's action plan to address any recommendations. Progress should be monitored.

CIPFA Bulletin 21 (October 2025) – External quality assessments of internal audit in UK local government

9. CIPFA Bulletin 21 indicates that the EQA can be satisfied by an external peer review, if it meets the other requirements (see GIAS Standard 8.4 and the UK Application Note). Deciding on the approach to the EQA is a matter for discussion between the CAE and senior management (SIAS Board). The proposals should be brought to the Audit Committee for information and discussion. This is a little more nuanced and UK local government specific than stated in the GIAS, which emphasises the role of the Board (meaning the Audit Committee).

10. Where the internal audit function has more than one client that is a principal local authority, then the assessor must be able to reach a conclusion on each local government client. This does not mean that a separate EQA is required for each authority, only that the EQA must be able to conclude and report individually for each principal local authority client.

11. Where the audit function applies a common approach to audit working practices for all their clients (e.g. engagement planning and conduct of audits), then the EQA assessor may sample across the client base to verify those aspects of the standards. Where the audit provider has a large client base, this may mean the conduct of audits at an authority may not be selected for sample testing. If the EQA assessor is satisfied that the provider adopts a common approach across the clients, then the authority can still be satisfied with the assessor's conclusion. This is in common with the SIAS's previous 2016 and 2021 EQAs.

Selection of EQA Providers / Provider Selected (Qualifications, Competencies and Independence)

12. The following table sets out the options the CAE considered to conduct the EQA:

Professional Body / Group / Company	Considerations
CIPFA	• Co-standard setter and advocate • Credibility and profile • Independence • Undertaken by Tilia Solutions Corporate Governance Consultancy on behalf of CIPFA, Director is a qualified ex-Head of IA
Chartered IIA	• Standard setter and advocate • Credibility and profile • Independence • Primary interest in promoting and developing the profession • Qualified and able (Heads / ex-Heads of IA are on panel of qualified assessors)
Peer Review -Team selected from the Audit Together Group, a strategic alliance of similar shared internal audit services Other options possible from Local Authority Chief Auditors Network (LACAN) possible.	• Professional, experienced and qualified current Heads of IA / Assurance • Experience of similar shared services and their challenges / uniqueness • Engaged, challenging and supportive • Established arrangement for rotation of EQA's to maintain independence
Two SME internal audit training and consultancy companies, and one large accountancy firm	• Professional, experienced and qualified ex-Heads of IA / Assurance with good reputation in the EQA market. • Experience of similar shared services in local government and their challenges / uniqueness.

13. The CAE conducted due diligence to understand the market for EQA assessors and the experience and pressures of undertaking an EQA as follows:

    a) Attended presentations at the Local Authority Chief Auditors Network (LACAN), Home Counties Chief Internal Auditors Network (HCCIAG) and Chartered IIA Heads of Internal Audit Forum from CAE's who had recently undertaken EQAs.
    b) Met separately with three CAEs to learn about their very recent experience both of an EQA under the new GIAS and their specific EQA provider.
    c) Held conversations with SIAS's external delivery partner (BDO), given their knowledge of the EQA market.
    d) Attended a session at the Chartered IIA Annual Conference in October 2025 delivered by a panel of EQA assessors and a further session hosted by the Chartered IIA in June 2026.

14. An outline EQA Plan was taken to the SIAS Board in December 2025, with a further update provided in March 2026, setting out the background as outlined in this briefing paper and the results of the due diligence conducted.

15. The SIAS Board approved the commencement of a procurement exercise for an external assessor and established a budget for the procurement. The SIAS Board were also asked to consider the following issues when reaching a decision on the EQA Plan:

No.	Issue / Consideration	Decision
1.	**LGR** • Capacity to support EQA from senior management • Value of an EQA outcome for each of our LA partners given that 2-4 new unitary authorities will be formed in two years' time and existing partners will not exist. • Deferring the EQA by an extended period to post vesting day with self-assessments to continue as normal.	• Proceed as planned for Q3/4 2026. Schedule and conduct EQA, as is the case for the Southern Internal Audit Partnership (best option).
2. .	**Commercial** • Conformance with GIAS and latest EQA results usually required for tender opportunities for new business.	• Proceed as planned for Q3/4 2026, given conformance with the GIAS and a recent EQA outcome are crucial to winning new business and generating income for SIAS.
3.	**Validation of self-assessment or EQA**	• Proceed with validated self-assessment but use

No.	Issue / Consideration	Decision
	EQA (External Quality Assessment) and validated self-assessment are both important processes in internal audit, but they serve different purposes: The full **EQA** is a comprehensive review of an internal audit function's conformance with global standards, typically conducted every five years by an independent assessor. Self-assessment with independent validation (SAIV) allows an internal audit function to conduct a self-assessment and then validate it by an independent assessor, providing a more flexible and less intrusive approach to assessment. Both methods aim to ensure that the internal audit function meets the required standards and provides value to the organisation, but EQA is more structured and comprehensive, while SAIV offers flexibility in the assessment process.	procurement process to achieve a valuable outcome for the service.

16. Procurement followed Hertfordshire County Council's Contract Regulations ('Procurement Rules') and a competitive quotation process was undertaken via the Council's e-Tendering system. Following formal evaluation of the quotes, the Chartered IIA were awarded the contract as our EQA assessors.

Scope of the contract

17. The EQA assessor, or assessment team, have been asked to carry out an independent, objective, examination of SIAS conformance against the GIAS, the Application Note – GIAS in the UK Public Sector, and the CIPFA Code of practice for the Governance of Internal Audit in UK Local Government, as well as considering the function's effectiveness and delivery compared with current and emerging good practice(s). Applicable quality assessment frameworks and criteria will be used, including the Purpose of Internal Auditing, the five Domains, the 15 Principles, the 52 Standards, 'Considerations for Implementation' and the 'Examples of Evidence of Conformance' within the GIAS.

18. Although a validated self-assessment will be undertaken, the Chartered IIA will nonetheless:

    a) Assess how well SIAS conforms to the Global Internal Audit Standards (GIAS) and the UK Public Sector Application Note.

b) Evaluate SIAS performance against our internal audit charter and the expectations of the SIAS Board, the Audit Committees and executive management.
c) Identify opportunities to improve performance and increase the value of internal audit to the organisation, based both on stakeholder feedback and our assessment.
d) Provide insight and a view on our internal audit strategy and how to develop approaches and calibration alongside the maturity of the organisation and how it evolves.
e) Benchmark our activities against best practice.

19. Reporting outcomes will include:

a) An established and recognised external quality assessment rating system,
b) A comprehensive draft report including an opinion of conformance with each Domain and Principle, an action plan and an executive summary.
c) Initial discussion with the Head of Assurance and Head of SIAS to confirm factual accuracy of the draft report, permit appropriate challenge of findings and an understanding of conclusions reached
d) A final report for presentation to the SIAS Board and our partner Audit Committees.
e) The assessor presenting the independent report to the SIAS Board. Our Client Audit Managers (who are your Chief Audit Executive) will present the report to their respective Audit Committees.

20. It is envisaged that the assessment will involve:

a) MS Teams meetings, interviews and / or surveys with the internal audit team and co-sourced delivery partners, as well as key internal audit stakeholders such as Audit Committee Chairs / Members and senior management from all, or a sample of, our eight local authority partners.

b) A review of key documentation such as the Internal Audit Strategy, Internal Audit Charter, Internal Audit Plan, Audit Committee reports, Annual Assurance Opinion / Conclusion, internal audit reports and a sample of working paper files for our eight local authority partners.

21. We specified an independent validated self-assessment and a follow-up reassessment of actions and recommendations where required, should it be determined that we are partially or non-conforming with any of the Standards. The follow-up should provide a revised conclusion as an outcome, should this be applicable or necessary.

22. The EQA will not cover SIAS's external clients but will cover our eight local authority partners.

Timescales

23. Commencement has been set for December 2026, and the outcomes will be reported to our March 2027 SIAS Board and Audit Committees if possible.