

Appendix 1 – Internal Audit plan update
Internal Audit Interim Report – 2025-26
Audit and Corporate Governance Committee 27 November 2025

1. Introduction

This Appendix provides a summary of the 2025-26 Internal Audit Plan that was agreed by the Committee in April 2025. It shows the indicative scope as well as the status of each audit. It is included to provide Committee with assurance that the Annual Audit Plan, which is the key vehicle for providing the Committee with independent assurance, is being effectively delivered.

2. Summary of Assurance Ratings

The table below provides an overall summary of the assurance ratings. A detailed summary of the status and outcomes of individual audit reviews is included in the detailed plan update section further below.

**Denotes reviews related to areas of principal risk as listed in the Council's Principal Risk Report.*

No	Ref	Audit title	Assurance Rating
<i>Planned reviews where an assurance opinion was provided</i>			
1	CS24-3	Staff expenses	Limited assurance
2	SC24-5	Breakdown in community cohesion*	Moderate assurance
3	SC25-3	Tenant Management Organisation (TMO)* - Agar Grove	Moderate assurance
<i>Reviews where a management letter is usually provided</i>			
4	SC24-8	Coroner's Court Accounts 23/24	
5	SPC25-2	Schools' Financial Values Statement*	
6	SPC25-3	Single Children's and Families Grant*	

3. 2024-25 planned reviews brought forward to 2025-26

Ref	Audit title	Indicative scope	Status – October 2025
CC24-1	Savings programme and Medium Term Financial Risk*	An on-going programme of assurance against this area of principal risk. The scope will focus on key programme risks and will also include a follow up of previous audit recommendations.	As previously reported, the planned focus of this review was a follow up of previously agreed recommendations. The follow up will be reported as part of the 2025-26 Financial resilience and strategy review as outlined below (CC25-1).
CS24-3	Staff expenses	A risk based review focussed on key controls related to staff expenses.	Completed. Limited assurance. High priority recommendations are included at Appendix 2.
CS24-5	IT review – Northgate*	A risk based review focussed on permission and access controls in Northgate, including contractor access and interfaces with Rocc and Oracle.	Fieldwork is currently in progress. As previously reported to the Committee, fieldwork was scheduled for Q3 2025-26 to accommodate the auditee's approach of quarterly forward planning. Anticipated completion Q4 2025-26.
SC24-5	Breakdown in community cohesion*	Risk based review focused on actions to mitigate existing and emerging risks. The review will include a follow up of previous open audit recommendations.	Completed. Moderate assurance. Two medium priority recommendations were raised in relation to: <ul style="list-style-type: none"> - The corporate approach and governance framework; and - Reporting and review of the impact of proactive work.
SC24-8	Coroner's Court Accounts 23/24	Annual certification of accounts, to include follow up of recommendations made during the 23-24 review.	Completed. A memorandum was issued in relation to the certification process and a further management letter was issued detailing with control observations. The management letters also reported that moderate progress has been made in

			<p>relation to the implementation of previously agreed actions.</p> <p>A further review is being undertaken in Q3 2025-26 (SC25-4 below) in relation to the 2024-25 accounts.</p>
--	--	--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

4. 2025-26 Internal Audit plan update

A. Cross cutting reviews (including programmes)

Ref	Audit title	Indicative scope	Status – October 2025
CC25-1	Financial resilience and strategy*	An on-going programme of assurance against this area of principal risk. The scope will focus on key programme risks.	<p>An outline scope has been agreed in discussions with the auditee and Terms of Reference is being drafted. Fieldwork is planned for Q3 and Q4 2025-26 and will include a follow up of previous audit recommendations.</p> <p>Anticipated completion Q4 2025-26.</p>
CC25-2	Community Investment Programme (CIP)*	An on-going programme of assurance against this area of principal risk. The scope will be considered in-year and will include a follow up of previous audit recommendations.	<p>A scoping meeting has been held and a Terms of Reference is being drafted. Fieldwork is planned for Q3 and Q4 2025-26</p> <p>Anticipated completion Q4 2025-26.</p>

B. CORPORATE SERVICES

Ref	Audit title	Indicative scope	Status – October 2025
CS25-1	Key financial systems (KFS) – Accounts Payable*	A risk-based review focussed on key controls.	Fieldwork has concluded and summary findings were shared with the auditee. The report is being drafted and will be shared with the auditee for a management response. Anticipated completion Q3 2025-26.
CS25-2	KFS – Accounts Receivable*	A risk-based review focussed on key controls.	The Terms of Reference is being drafted following initial planning discussions with the auditee. Anticipated completion Q4 2025-26.
CS25-3	KFS – Council Tax and Business Rates*	A risk-based review focussed on key controls.	Fieldwork has concluded. The draft report is currently being prepared and will be shared with the auditee for a management response. Anticipated completion Q3 2025-26.
CS25-4	KFS – Payroll*	A risk-based review focussed on key controls.	Fieldwork has concluded. The draft report is currently being prepared and will be shared with the auditee for a management response. Anticipated completion Q3 2025-26.

CS25-5	Compliance with the CIPFA Financial Management Code	Compliance-based review to assess compliance with CIPFA's Financial Management Code.	A Terms of Reference is being drafted following initial planning discussions with the auditee. Fieldwork is planned for Q3 and Q4 2025-26. Anticipated completion Q4 2025-26.
CS25-6	IT audit*	The scope of this review will be considered in-year and will include a follow up of previous audit recommendations.	PCI-DSS and Northgate reviews are underway as listed elsewhere in this appendix and follow-up of these recommendations will be planned when the initial reviews have been completed.
CS25-7	PCI-DSS compliance	Review of the Council's compliance with PCI-DSS.	The Terms of Reference have been drafted. Fieldwork is planned for Q3 and Q4 25/26. Anticipated completion Q4 2025-26.
CS23-8	Insurance	A risk-based review focussed on key controls related the Council's insurance function. The scope will be agreed in-year.	Fieldwork has concluded. The report is currently being drafted and will be shared with the auditee for a management response. Anticipated completion Q3 2025-26.
CS25-9	Voluntary Sector Organisations	Provision of internal controls and risk support for the Community Partnerships Team throughout the year.	The Internal Audit team supported the VSC team with development of a governance checklist which can help funded organisations to support good governance. In addition to this, the VSO team requested Internal

			Audit support with one organisation which is on-going.
CS25-10	Health and safety - occupational*	A risk-based review focussed on key control risk. The scope will be agreed in-year.	Fieldwork has concluded. The report is currently being drafted and will be shared with the auditee for a management response. Anticipated completion Q3 2025-26.

C. SUPPORTING COMMUNITIES

Ref	Audit title	Indicative scope	Status – October 2025
Investment, Place and Opportunity			
SC25-1	Commercial property	A risk-based review focussed on key control risk. The scope will be agreed in-year.	Fieldwork is in progress. The scope of this review will aim to evaluate the adequacy of the controls in place to ensure that the Council achieves its objectives in the management of the commercial property portfolio and to mitigate against key risks. Anticipated completion Q4 2025-26.
SC25-4	Coroner's Court accounts – 2024/5	Annual certification of accounts, to include follow up of recommendations made during the 23-24 review.	Fieldwork is in progress of the 2024-25 certification process. Anticipated completion Q4 2025-26.
SC25-5	Bus Service Operators Grant (BSOG)	Review and sign off claims.	Completed. The Department for Transport provides the grant for the provision of community transport services. Internal Audit reviewed the claim to confirm, based on the samples tested, that expenditure met the requirements of the grant.

Supporting Communities			
SC25-2	Homelessness and temporary accommodation*	A risk-based review focussed on key control risk. The scope will be agreed in-year.	Due to current resource constraints, the auditee is not able to support the Internal Audit review in Q3 or Q4 of 2025/26. The review has therefore been scheduled for Q1 2026/27. The Terms of Reference will be agreed in Q4 2025-26.
SC25-3	Tenant Management Organisation (TMO)*	A risk-based review of the governance framework and key controls at a TMO to ensure compliance with the MMA, focusing on financial management to ensure funds are managed and spent appropriately, delivering value-for-money for residents.	Completed – Agar Grove TMC Moderate assurance. Two medium priority recommendations were raised in relation to: <ul style="list-style-type: none"> - Approval of bank reconciliations; and - Approval of purchase card statements.

D. SUPPORTING PEOPLE

Ref	Audit title	Indicative scope	Status – October 2025
Children and Learning			
SPC25-1	Schools – establishments reviews*	Risk-based review of seven schools, including three deferred from 2024-25.	1) Great Ormond Street Hospital School – completed (moderate assurance)

			<p>2) Frank Barnes School for Deaf Children – completed (moderate assurance)</p> <p>3) Maria Fidelis Roman Catholic Convent School – completed (moderate assurance)</p> <p>4) William Ellis School – scheduled for Q4. Anticipated completion Q4 25-26.</p> <p>5) Fitzjohn's Primary School - scheduled for Q4. Anticipated completion Q4 25-26.</p> <p>6) Holy Trinity CofE Primary School, NW3 – completed (moderate assurance)</p> <p>7) Robinson House - Primary PRU scheduled for Q4, Anticipated completion Q4 25-26.</p> <p>8) Richard Cobden Primary (24-25) scheduled for Q4. Anticipated completion Q4 25-26.</p> <p>9) La Sainte (24-25) scheduled for Q4. Anticipated completion Q4 25-26.</p>
--	--	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

			Primrose Hill (24-25) scheduled for Q4. Anticipated completion Q4 25-26.
SPC25-2	Schools' Financial Values Statement*	Review and sign off of 2022-23 statements produced by schools.	Completed, the Internal audit team completed the appropriate checks and a sample test and, based on the evidence reviewed, supported the Chief Financial Officer's signature being applied to the statement.
SPC25-3	Single Children's and Families Grant*	A review to provide assurance that the service retains a robust level of scrutiny and oversight in light of Earned Autonomy.	Completed. following turnover in the team managing the grant, Internal Audit met with auditee to advise on maintaining sound internal controls and record keeping to ensure timely and accurate returns to central government.
Adults and Health			
FW-UP	Follow Up Reviews	<p>Follow up reviews to assess the level of implementation of open audit recommendations. This mainly includes:</p> <ul style="list-style-type: none"> • Modern day slavery; • Health and social care integration - system and information accessibility; • Mental Health and Learning Disabilities. 	An update is provided at Appendix 3.