Report to:	**Audit Committee**
Date:	**19 September 2025**
By:	**Chief Operating Officer**
Title of report:	**Internal Audit Progress Report – Quarter 1 (01/04/25 – 30/06/25)**
Purpose of report:	**To provide the Audit Committee with an update on all internal audit and counter fraud activity completed during the quarter, including a summary of all key findings. To also provide an update on the performance of the internal audit service during the period.**

RECOMMENDATIONS: Audit Committee is recommended to note the report and consider any further action required in response to the issues raised.

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1. Background

1.1 This progress report covers work completed between 1 April 2025 and 30 June 2025.

2. Supporting Information

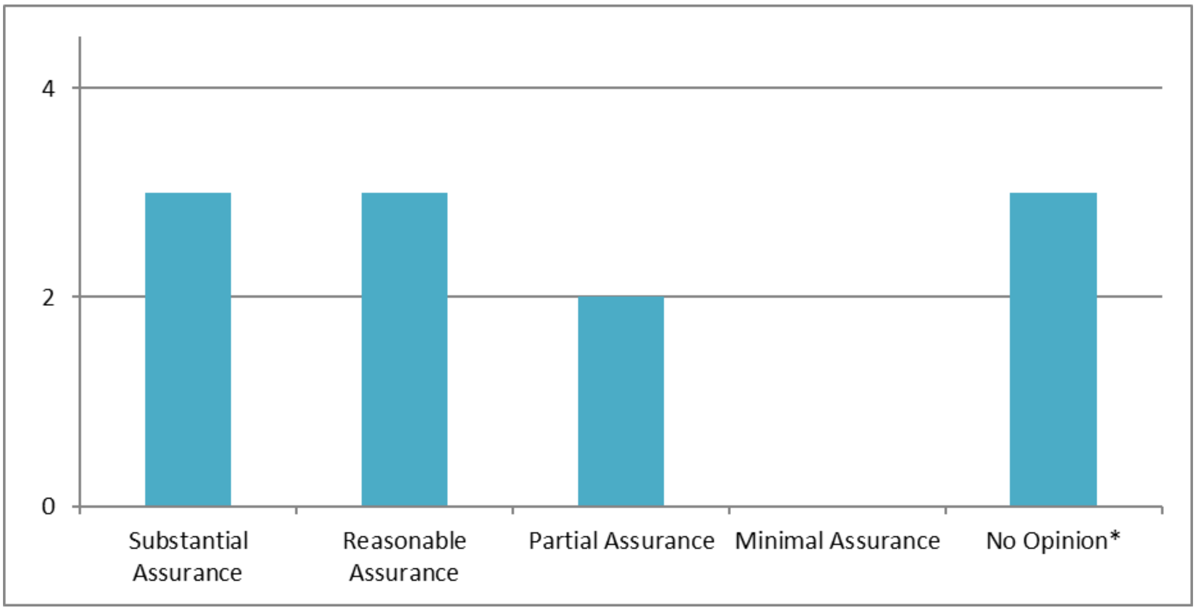
2.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2025-26 which was approved by Audit Committee on 28 March 2025.

3. Conclusion and Recommendations

3.1 Key audit findings from final reports issued during Quarter 1 are summarised in Annexe A.

3.2 Overall, of the 8 audits finalised during the quarter in which a formal audit opinion was given, 3 received audit opinions of ‘substantial assurance’, 3 received ‘reasonable assurance’ opinions, and there were 2 partial assurance opinions in the areas of Home Care Contract Management, and Home to School Transport. There were no minimal assurance opinions.

<u>Graph to show assurance levels of formal audits completed in Quarter 1</u>



*No opinion – typically, this tends to be proactive advice and support activity where, due to the advisory nature of the audit work, provision of formal assurance-based opinions is not appropriate. It also includes grant certification work.

3.3 Although the same range of internal audit opinions is issued for all audit assignments (where an opinion is relevant), it is necessary to also consider the level of risk associated with each area under review when drawing an opinion on the Council's overall control environment. Taking into account these considerations, the Chief Internal Auditor continues to be able to provide assurance that the Council has in place an effective framework of governance, risk management and internal control.

3.4 The overall conclusion above has, therefore, been drawn based on all audit work completed in the year to date and considers the management response to audit findings and the level of progress in subsequent implementation. As at the end of quarter 1, it was confirmed that 11 of the 12 (91.6%) high-risk actions due to be implemented on a 12-month rolling basis had been actioned. Full implementation was not achieved as a result of one agreed action remaining outstanding. Further detail regarding this is provided at 3.1 of the report at Annex A.

3.5 Progress against performance targets (focussing on a range of areas relating to the internal audit service) can also be found in Annexe A (section 5). Whilst the majority are rated as on target (green), there are 2 where the target for the quarter has not been achieved. One of these relates to the implementation of high-priority actions (as above). The other is in respect of audit days delivered where the team are slightly down on days for the quarter. This is partly due to one member of the audit team going on maternity leave (and slightly earlier than expected). The team will endeavour to address this slight shortfall during the remainder of the year through utilising resources from across Orbis Internal Audit.

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BACKGROUND DOCUMENTS:

Internal Audit Strategy and Annual Plan 2025/26