



East Cambridgeshire District Council

Meeting: Audit Committee

Time: 4:30 pm

Date: Tuesday 15 April 2025

Venue: Council Chamber, The Grange, Nutholt Lane, Ely, CB7 4EE

Enquiries regarding this agenda: Patrick Adams

Telephone: (01353) 616298

Email: patrick.adams@eastcambs.gov.uk

Committee membership

Quorum: 3 members

Conservative Members

Cllr David Brown (Chair)
Cllr Keith Horgan
Cllr Kelli Pettitt (Vice-Chair)

Substitutes:

Cllr Lavinia Edwards
Cllr Lucius Vellacott

Lay Member

Stephen Joyce

Lead Officer

Ian Smith, Director Finance

Liberal Democrat and Independent Group Members

Cllr Lorna Dupré
Cllr James Lay
Cllr Ross Trent

Substitutes:

Cllr Mark Inskip
Cllr Gareth Wilson

AGENDA

- 1. Public Question Time** [oral]
The meeting will commence with up to 15 minutes public question time
- 2. Apologies and Substitutions** [oral]
- 3. Declarations of Interest** [oral]
To receive declarations of interest from Members for any Items on the Agenda in accordance with the Members Code of Conduct

| | |
|--|----------------|
| 4. Minutes | Page 5 |
| To confirm as a correct record the Minutes of the meetings of the Audit Committee held on 3 February 2025. | |
| 5. Chair's Announcements | [oral] |
| 6. Audit Committee Annual Report 2024/25 | Page 11 |
| 7. Internal Audit Progress Report | Page 17 |
| 8. Internal Audit Charter and Mandate | Page 33 |
| 9. Internal Audit Plan 2025/26 | Page 47 |
| 10. Forward Agenda Plan | Page 57 |

NOTES:

1. Members of the public are welcome to attend this meeting, but due to Covid-related room capacity restrictions, they are asked, where possible, to notify the Democratic Services Manager (jane.webb@eastcamb.gov.uk) in advance. Members of the public can gain entry by reporting to Reception during Office Hours or can enter via the door in the glass atrium at the back of the building for evening meetings.

The meeting will be webcast and a live stream of the meeting will be available. Further details can be found at <https://eastcamb.gov.uk/node/2760> Please be aware that all attendees, including those in the public gallery, will be visible on the livestream.

2. Public Questions/Statements are welcomed on any topic related to the Committee's functions as long as there is no suspicion that it is improper (e.g. offensive, slanderous or might lead to disclosures of Exempt or Confidential information). Up to 15 minutes is allocated for this at the start of the meeting. Further details about the Public Question Time scheme are available at: <https://eastcamb.gov.uk/about-council/meetings-agendas-and-minutes/public-participation-meetings>
3. The Council has adopted a 'Purge on Plastics' strategy and is working towards the removal of all consumer single-use plastics in our workplace. Therefore, we do not provide disposable cups in our building or at our meetings and would ask members of the public to bring their own drink to the meeting if required.
4. Fire instructions for meetings:
 - If the fire alarm sounds, please make your way out of the building by the nearest available exit i.e. the back staircase or the fire escape in the Chamber. Do not attempt to use the lifts.
 - The fire assembly point is in the front staff car park by the exit barrier.
 - The building has an auto-call system to the fire services so there is no need for anyone to call the fire services.

The Committee Officer will sweep the area to ensure that everyone is out.
5. Reports are attached for each agenda item unless marked "oral".

6. If required, all items on the agenda can be provided in different formats (e.g. large type, Braille or audio tape, or translated into other languages), on request, by calling Main Reception on (01353) 665555 or e-mail: translate@eastcambs.gov.uk
7. If the Committee wishes to exclude the public and press from the meeting, a resolution in the following terms will need to be passed:

“That the press and public be excluded during the consideration of the remaining item no(s). X because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item(s) there would be disclosure to them of exempt information of Category X of Part I Schedule 12A to the Local Government Act 1972 (as amended).”



Minutes of a meeting of the Audit Committee

Held in the Council Chamber, The Grange, Nutholt Lane, Ely
on Monday, 3 February 2025, at 4:30 pm

| | |
|----------------------|---|
| Present | Cllr David Brown (Chair) Cllr Lorna Dupré Cllr Keith Horgan Cllr James Lay Cllr Kelli Pettitt (Vice Chair) Cllr Ross Trent Stephen Joyce – Independent Lay Member |
| Officers | Patrick Adams – Senior Democratic Services Officer Maggie Camp – Director Legal & Monitoring Officer Ian Smith – Director Finance & S151 Officer |
| In Attendance | Rachel Ashley-Caunt – Head of Internal Audit (IA) Mark Hodgson – External Audit (EY) Anastasia Lukhtan – External Audit (EY) |

28. Public Question Time

No public questions were received.

29. Apologies and Substitutions

No apologies were received.

30. Declarations of Interest

No declarations of interests were made.

31. Minutes

The Committee received the Minutes of the meeting held on 19 November 2024.

It was resolved:

That the Minutes of the meeting of the Committee held on 19 November 2024 be confirmed as a correct record and signed by the Chair, subject to the following amendments:

- Minute 23 – Final sentence on page 3, the term "prior comparatives" should be "prior year comparatives".
- Minute 25 – Page 5, under the heading "Assurance work on risks". The second sentence should read: "The Lay Member suggested that there should be a costed action plan for the Net Zero pledge linked to the Medium Term Financial Plan. He added that there should be an evaluation of the spending of the climate change budget to ensure that there was evidence of outcomes and value for money."

32. Chair's Announcements

The Chair welcomed three new members to the Committee: Cllr Lorna Dupré, Cllr James Lay and Cllr Ross Trent.

33. External Audit – Audit of the 2023/24 Accounts

The Committee considered the External Auditor's report on the Audit of the 2023/24 Accounts (reference Z129, previously circulated).

Mark Hodgson, the External Auditor, assured the Committee that he expected that the audit for the 2023/24 accounts would conclude before the Government's deadline of 28 February 2025. He reminded the Committee that as a disclaimed audit opinion had been given on the 2022/23 accounts it would not be possible to provide an unqualified audit opinion on the 2023/24 accounts because the opening balances would have to be recalculated. He expected that this would continue to be an issue for at least the next three years. In response to a question from Stephen Joyce, Mark Hodgson assured the Committee that there was nothing the Council could have done differently to achieve an unqualified audit opinion on the 2023/24 accounts by the Government's deadline of 28 February 2025.

Mark Hodgson reported that the external auditors were waiting for assurances from the auditor of the Cambridgeshire Pension Fund.

In response to questioning, Mark Hodgson stated that two areas in which the Council could improve were the provision of working papers on expenditure and grants received. He added that the control weaknesses identified by the audit were not significant and the Council would have to decide whether resources should be allocated to resolving them. In response to concerns raised by Cllr Lorna Dupré, the Chair stated that an announcement would be made at the next meeting of Full Council regarding councillors' declaration of interests.

Minor amendments

Mark Hodgson explained that the reference to the wrong Council in Appendix E would need to be corrected by the Director, Finance, when drafting the Council's reply. It was noted that the reference to Section X in the penultimate paragraph on page 17 of the agenda should have read Appendix A.

National Non-Domestic Appeals Provision

Mark Hodgson reported that there was one uncorrected difference. The non-domestic appeals provision was out by £57,000. This was less than the £800,000

margin for a material difference. The Director Finance advised that the rateable value used by the management expert did not need to be corrected, as it was an estimate that would be revised in the 2024/25 accounts. The Committee agreed with this recommendation.

It was resolved:

That the £57,000 misstatement on the National Non-Domestic Rates Appeals Provision did not need to be adjusted as it was not a material difference.

That the External Audit – Audit of the 2023/24 Accounts be noted.

34. Statement of Accounts 2023/24

The Committee considered a report on the Council's Statement for Accounts for 2023/24 (Z130, previously circulated).

The Director Finance introduced the report and explained that these were a robust set of accounts that were on track to be signed off by the external auditors by 28th February. He requested that the Committee approve the accounts, on the understanding that any changes to the accounts would be discussed with the Chair prior to final sign-off.

In response to a question from Cllr Keith Horgan, the Director Finance reported that the £473,000 listed under homelessness in the accounts related to a historical grant that had been carried forward into the following year's accounts.

Stephen Joyce, Independent Lay Member, praised the accounts and expressed his support for the report's recommendations. He asked that more work should be done to provide an assurance to the Committee on the Council's usable reserves and offered to support the Chair and Director Finance regarding this.

The Chair proposed and the Vice Chair seconded the recommendation in the report.

It was unanimously resolved:

- That the Statement of Accounts 2023/24 be approved.
- To authorise the Chair of Audit Committee and Director Finance to sign the Statement of Accounts and Letter of Representation on behalf of the Council (making any changes necessary), this prior to final sign-off by Ernst and Young (EY) before the 28 February 2025 backstop date.

35. Internal Audit Progress Report

The Committee received the Internal Audit Progress Report (Z131, previously circulated) which advised the Committee of the work of Internal Audit completed during the financial year to date, and of the progress against the Internal Audit Plan. Rachel Ashley-Caunt, Head of Internal Audit, presented the report and she summarised the audits of the Medium Term Financial Strategy, the Bereavement Centre and the UK Shared Prosperity Fund. The Committee noted that whilst

there were three actions that were overdue, none of them had been overdue for more than three months. In response to a question from Stephen Joyce, the Head of Internal Audit explained that the overdue medium priority action related to the development of a private sector housing strategy and the action regarding procurement advice on the bereavement centre had been completed.

Cllr Keith Horgan proposed and the Vice Chair seconded the recommendations in the report.

It was unanimously resolved:

- That the progress made by Internal Audit in the delivery of the Audit Plan and the key findings be noted.

36. Internal Audit Plan Development 2025/26

The Committee received an oral update from Rachel Ashley-Caunt, Head of Internal Audit, who explained that the Committee had agreed to extend the deadline for items for the Plan to the date of this meeting and she asked if members had any issues they wanted Internal Audit to review during the next municipal year.

Local Government reorganisation

Rachel Ashley-Caunt advised that there were not yet any definite proposals for Internal Audit to review. She explained that this issue would be monitored, as would the possible impact on the Council's services as its resources were allocated to the above matter. Stephen Joyce recommended an audit on the controls in place that measured staff sickness, exit interviews and staff engagement. Rachel Ashley-Caunt stated that staff morale was on the Council's Strategic Risk Register.

Working with External Audit

Stephen Joyce suggested that there should be an audit on how officers prepared the working papers requested by External Audit. Rachel Ashley-Caunt queried whether this would be an appropriate use of resources. However, she was willing to support the auditing process.

It was resolved:

To note and endorse the proposed approach to the development of the Internal Audit Plan for 2025/26.

37. Corporate Risk Management Monitoring Report

The Committee considered a report, (reference Z132, previously circulated), which invited the Committee to consider the latest Corporate Risk Register. The Director Finance explained that the register had been updated to include a risk regarding the reorganisation of local government. The score for risk A7, on the delivery of the Waste Collection and Street Cleansing Service, had been reduced, whilst risk A8 on the Bereavement Centre had increased, while the Council was waiting for details of the construction costs. The risk around staff recruitment and retention had also increased.

Bereavement centre

Cllr Lorna Dupré asked whether the financial risks of the bereavement centre should be included. The Director Finance replied that there was no current risk on the revenue costs regarding the bereavement centre. The business plan would be revised once the construction costs were known. He reported that all the Committee's concerns would be considered at the risk management group.

Data protection

Cllr Lorna Dupré suggested that the score for likelihood for risk C4 on failure to comply with data protection legislation should be 5, as councillors' signatures were accidentally put into the public domain before being removed. The Director Finance replied that the risk register was identifying future risks, but he added that these comments would be reviewed by the risk management group.

Local government reorganisation

Cllr Lorna Dupré queried the wording for risk C8 on local government reorganisation as it was unclear how this risk was being mitigated. The Director Finance explained that the word "us" referred to the Council and while the current wording on the register for this risk might need further review, it was important to get this risk on the register. Cllr Dupré agreed to liaise with the Director Finance on this matter.

Cost of living

Stephen Joyce asked if there was any evidence that the cost of living crisis was a growing problem. The Director Finance replied that he was not aware of a significant increase in housing benefit payments, although there had been a decrease in the amount of Council Tax collected.

Development

Stephen Joyce asked for some additional assurances on risk B2, failure to achieve expected levels of development and D2 planning development, as the Government had identified this issue as a priority. The Director Finance agreed to discuss this matter with the relevant officer and report back.

Non-compliance with legislation

Stephen Joyce asked whether the likelihood score of the risk C3, Non-compliance with legislative and regulatory requirements, could be reduced. The Director Finance replied that even with mitigation in place the possibility of something happening still remained. He agreed to refer this concern to the risk management group.

Stephen Joyce praised the risk register for its clarity.

The Vice Chair proposed and Cllr Keith Horgan seconded the recommendation in the report.

It was resolved:

- That the Director Finance provide further information on the risk B2 (Failure to achieve expected levels of development and planning gain) and the risk D2 (Failure to deliver upon strategic development plans and requirements) to Committee members.
- To note the Corporate Risk Register.

38. Forward Agenda Plan

The Committee received the Forward Agenda Plan. The Chair asked for a programme of the next 12 months to be considered at the next meeting.

It was noted that a meeting would be held with the auditors on Tuesday 18 March at 3:30 pm.

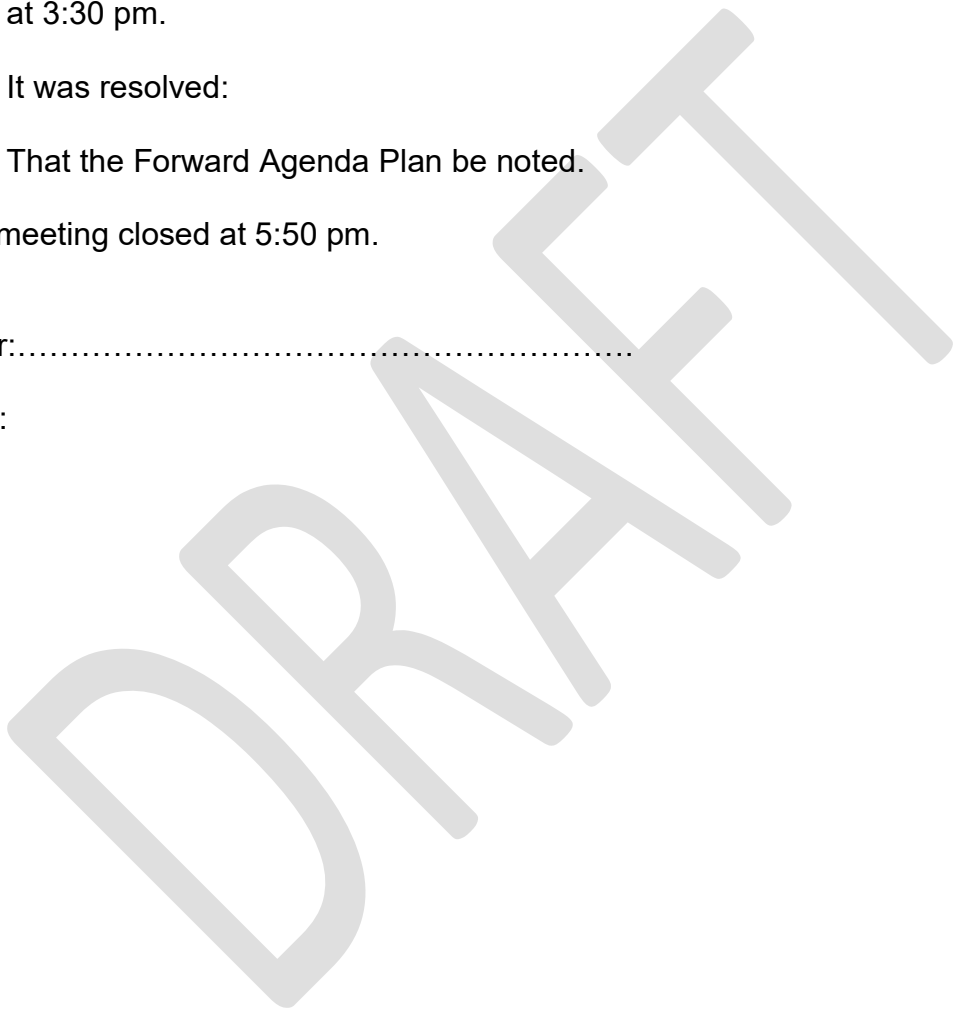
It was resolved:

That the Forward Agenda Plan be noted.

The meeting closed at 5:50 pm.

Chair:.....

Date:



Title: Audit Committee Annual Report 2024/25

Committee: Audit Committee

Date: 15th April 2025

Author: Director, Finance

Report No: Z166

Contact Officer:

Ian Smith,

Director, Finance

ian.smith@eastcamb.gov.uk, 01353 616470, Room 104, The Grange, Ely

1.0 Issue

- 1.1. To review the Audit Committee's Annual Report and recommend this for approval to Full Council.

2.0 Recommendation

- 2.1. To recommend to Full Council to approve this report.

3.0 Background

- 3.1. It is considered best practice for the Audit Committee to report to Full Council on its activities at the end of each municipal year. This had not been the case at East Cambs, but a first report was produced at the end of 2023/24. This is therefore the second such report and provides details of the Committee's activities during the 2024/25 municipal year.
- 3.2. The constitution, objectives and Terms of Reference of the Audit Committee are detailed in the Constitution.

3.3. Constitution

This Committee shall comprise of 5 Members of Council [6 since December 2024] and one Lay Member (without voting rights) who shall be appointed by full Council. Its quorum is 3 (excluding the lay member). Members of the Finance & Assets Committee and the Leader and Deputy Leader of the Council are excluded from membership of the Audit Committee.

3.4 Objectives

Oversight and approval of Statement of Accounts, Internal and External Audit, and Risk Management matters (not otherwise the responsibility of the Council or any other Committee).

3.5 Terms of Reference

The Committee's terms of reference shall be:-

To act as the Council's Audit Committee and the discharge of these duties and responsibilities including:-

- consideration of Annual Audit letter to Members, Annual Audit and Inspection Fee Letter and the External Auditor Annual Governance Report, Annual Audit Plan and Code of Audit Practice and Statement of Responsibilities;
- approve the Annual Governance Statement;
- approve the Statement of Accounts;
- approve the Code of Corporate Governance;

To agree the Internal Audit Terms of Reference and Internal Audit Plan, review and consider the Plan, any Annual Report and/or Opinion.

To oversee and approve the Code of Corporate Governance. To oversee the Council's Corporate Governance arrangements including Anti-Fraud and Corruption Policy.

To oversee and monitor the Council's Corporate Risk Register and recommend revisions to the Council's Risk Management Strategy.

To appoint 'Member Champions' as required.

To make nominations to any relevant outside bodies for the Audit Committee from the wider membership of the Council for a period of up to 4 years.

4.0 Audit Committee Activity in 2024/25

4.1. The Audit Committee met on five occasions during the 2024/25 municipal year:

- 22nd May 2024 (following Full Council)
- 16th July 2024
- 19th November 2024
- 3rd February 2025
- 18th April 2025

4.2. The Committee has reflected the political balance of the Council. At the start of the year, this meant that there were three Conservative councillors and two Liberal Democrat councillors, but following the Council decision at its Extraordinary Meeting on the 11th December 2024, this changed to be three Conservative councillors and three councillors from the Liberal Democrat and Independent Group.

4.3. The Liberal Democrat's Group did not utilise their seats on Committee prior to the change in arrangements, but have attended the meetings in 2025.

4.4. An Independent / Lay Member was appointed onto the Committee as a non-voting member. The first meeting that he attended was 16th July 2024 and he has attended each subsequent meeting.

- 4.5. The lead officer to the Committee is the Director, Finance, supported by the Director Legal (monitoring officer). Other officer attendees are the Head of Internal Audit and the External Audit Manager, with then other report authors attending to present their reports.
- 4.6. Committee received the following reports during the year:

External Audit Reports

- Interim Value for Money Report for 2022/23
- External Audit Results Report for 2022/23 – because of the long outstanding issue regarding the backlog within the Local Government Audit system, EY were only able to give a “disclaimed audit” opinion for 2022/23. In reality, a “disclaimed audit opinion” meant that EY had been unable to complete their Audit work prior to the November backstop date announced by Government, and so couldn’t issue a full certificate. It didn’t in anyway, suggest there was anything wrong with the Statements.
- Audit Plan 2023/24
- External Audit Results Report for 2023/24 – as EY gave a “disclaimed audit” opinion on the 2022/23 Statements, even though they undertook an extensive review of the 2023/24 Statements, they were still only able to give a disclaimed audit opinion for the year, as they couldn’t validate some of the bought forward balances or the prior year comparisons. As before, this didn’t in anyway, suggest there was anything wrong with the Statements.
- Audit Plan 2024/25

Statement of Accounts and Annual Governance Statement

- Statement of Accounts 2022/23 – These were approved at the meeting on the 19th November 2024.
- Draft Statement of Accounts for 2023/24
- Statement of Accounts 2023/24 – These were approved at the meeting on the 3rd February 2025.
- Annual Governance Statement 2023/24 – this was presented to two meetings, initially in draft and then a final version which was approved at the meeting on the 19th November 2024.

Internal Audit Reports

- Internal Audit – Annual Report and Opinion 2023/24 – the summary findings of which are below:

I am satisfied that sufficient internal audit work has been undertaken to inform an opinion on the adequacy and effectiveness of governance, risk management and internal control for 2023/24. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

It is my opinion that **Moderate Assurance** can be given over the adequacy and effectiveness of the Council's control environment for 2023/24 – see definition of assurance opinions in section 4.1 of this report. This control environment comprises of the system of internal control, governance arrangements and risk management. Any limitations over this opinion are detailed and explained further below.

Financial control

Controls relating to the Council's key financial systems which were reviewed during the year were all concluded to be operating at a level of Moderate Assurance or above, with 92% of opinions given being of Good or Substantial Assurance.

Assurance over the outsourced revenues and benefits service has been provided in the form of internal audit reports issued for the Anglia Revenues Partnership shared service. These have all resulted in assurance opinions of 'Adequate / Reasonable', which is comparable to the Council's internal audit service's assurance opinion of 'Moderate'. This indicates a reduced assurance opinion from previous years, where areas of 'enforcement' and 'Council Tax Billing, Housing Benefit and Local Council Tax Reduction Scheme' had received 'Good' assurance opinions in 2022/23. Action plans are in place for areas of improvement.

Risk management

The Council's structures and processes for identifying, assessing and managing risk have remained generally consistent during 2023/24.

Internal control

For the audits completed by the Internal Audit service in 2023/24, 97% of the opinions given in relation to the control environment and compliance have been of at least Moderate Assurance. The only opinion of Limited Assurance was in relation to Payment Card Industry Data Security Standard (PCI DSS) compliance. An action plan was agreed in relation to these findings and promptly progressed, providing assurance over actions taken to address areas of weakness. There have been no reports issued with an opinion of 'high' organisational impact.

The audit plan coverage had targeted areas of known risk and was informed through consultation with senior management and the Audit Committee.

Of the agreed management actions due for implementation during 2023/24, 83% had been completed during the year.

There have been no incidences during 2023/24 where the internal audit team have highlighted a fundamental risk or weakness and management have sought to accept the risk, rather than agree an appropriate action.

Internal Audit has not been made aware of any further governance, risk or internal control issues which would reduce the above opinion. No systems of controls can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

- Internal Audit Progress Reports 2024/25 (four reports)
- Internal Audit Plan Development for 2025/26
- Internal Audit Standards Report
- Internal Audit Charter and Strategy – this was recommended for approval on the 18th April 2025

- Internal Audit Plan 2025/26 – this was recommended for approval on the 18th April 2025

Other Reports

- Corporate Risk Management Monitoring Report (Risk Register) update reports (two reports)
- Annual Information Governance Report
- Audit Committee Annual Report – this report

4.7 On the 3rd February 2025, Audit Committee members met to conduct a self-assessment of good practice against the CIPFA Position Statement on the role of Audit Committees in local government. This was the second such meeting, the first having taken place in January 2024. Attendees found this a useful meeting and an opportunity to reflect on where the Committee was performing well and where further improvement could be made, to better align with best practice.

Within the CIPFA Position Statement Documentation at appendix E there is a scoring matrix which allows Committee members to assess performance against specific good practice criteria and come up with a score of overall performance. The Committee scored itself as 168 out of 200.

An action plan was produced as part of the exercise to improve the performance of Committee moving forward and this is attached below for information.

| Action ref | Description | Timeframe |
|------------|---|-----------|
| 1 | Updates to Council To introduce brief updates to Council on key items covered (i.e. assurances gained and areas for improvement / risk noted) following each meeting of the Audit Committee. | |
| 2 | Management attendance at meetings To explore options to facilitate attendance of wider management for relevant agenda items, as required. | |
| 3 | Forward plan and Terms of Reference (ToR) The ToR should be reviewed to ensure alignment with the CIPFA Position Statement 2022. To request a more detailed forward plan, beyond the next meeting, which can then be cross referenced to the ToR and ensure full coverage. | |
| 4 | Committee training / skills assessment To conduct a committee skills/training assessment, using a matrix based on the CIPFA guidance. | |
| 5 | Training plan | |

| Action ref | Description | Timeframe |
|------------|--|-----------|
| | Based on the outcome of action 4, above, to develop a training plan which can be delivered as pre-meeting sessions and cover key areas, ideally relating to the topics on the agenda that day. To schedule initial introductory training for new members / refresher for all. | |
| 6 | Training and meeting times To explore timing of training and committee meetings to maximise attendance for those with other work commitments. | |

5.0 Additional Implications Assessment

5.1 In the table below, please put Yes or No in each box:

| | | |
|--|--|--|
| Financial Implications No | Legal Implications No | Human Resources (HR) Implications No |
| Equality Impact Assessment (EIA) No | Carbon Impact Assessment (CIA) No | Data Protection Impact Assessment (DPIA) No |

6.0 Background Documents

6.1 Audit Committee agendas and minutes

TITLE: Internal Audit Progress Report

Committee: Audit Committee

Date: 15th April 2025

Author: Chief Internal Auditor

Report number: Z167

Contact officer:

Rachel Ashley-Caunt, Chief Internal Auditor

Rachel.ashley-caunt@eastcambs.gov.uk

1.0 Issue

1.1. To advise the Committee of the work of Internal Audit completed during the financial year to date, and the progress against the Internal Audit Plan.

2.0 Recommendations

2.1. That the Committee notes the progress made by Internal Audit in the delivery of the Audit Plan and the key findings.

3.0 Background/Options

3.1. The role of Internal Audit is to provide the Audit Committee, and management, with independent assurance on the effectiveness of the internal control environment. Internal audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council’s ability to achieve its objectives.

3.2. At the time of reporting, fieldwork on 100% of assignments within the plan is either complete or in progress. Since the last progress report, three audit reports have been finalised and the key findings are summarised in Appendix 1.

3.3. Since the last Audit Committee update, three actions arising from audit reports have been implemented by officers. There are three overdue actions.

4.0 Arguments/Conclusions

4.1. The attached report (Appendix 1) informs the Committee on progress to date against the Audit Plan.

5.0 Additional Implications Assessment

5.1 In the table below, please put Yes or No in each box:

| | | |
|---|---|---|
| Financial Implications No | Legal Implications No | Human Resources (HR) Implications No |
| Equality Impact Assessment (EIA) No | Carbon Impact Assessment (CIA) No | Data Protection Impact Assessment (DPIA) No |

6.0 Appendices

Appendix 1: Internal Audit Progress report – April 2025

7.0 Background documents

Internal Audit Plan 2024/25



Internal Audit Progress and Performance Update

April 2025

1. Introduction

- 1.1 The Internal Audit service for East Cambridgeshire District Council provides 210 days to deliver the 2024/25 Annual Audit Plan.
- 1.2 The Public Sector Internal Audit Standards (the Standards) require the Audit Committee to satisfy itself that it is receiving appropriate assurance about the controls put in place by management to address identified risks to the Council. This report aims to provide the Committee with details on progress made in delivering planned work, the key findings of audit assignments completed since the last Committee meeting and an overview of the performance of the audit team.

2. Performance

Delivery of the 2024/25 Audit Plan

- 2.1 At the time of reporting, 93% of audit assignments are completed to at least draft report stage, with only one audit to fully complete and all on track to be finalised ahead of the annual internal audit report for 2024/25. The Internal Audit service has a target to deliver at least 90% to draft report stage by 31st March, which has been met. Progress on individual assignments is shown in Table 1.

Are clients satisfied with the quality of the Internal Audit assignments?

- 2.2 To date, seven survey responses have been received in relation to feedback on completed assignments for the 2024/25 audit plan. This is summarised in Table 3.

Based upon recent Internal Audit work, are there any emerging issues that impact upon the Internal Audit opinion of the Council's Control Framework?

- 2.3 Since the last Audit Committee update, the Internal Audit team has finalised three audit reports. The key findings were as follows:

Bank reconciliations

The maintenance of accurate and up to date accounts is vital to the Council's financial control framework. The bank reconciliation process ensures that transactions appearing in the Council's accounting records are compared with bank statements allowing for discrepancies to be promptly identified and managed. This audit sought assurance on the design of, and compliance with, key controls for reconciliations carried out of the Council's consolidated bank account.

In summary, the audit found that bank reconciliations are performed on a monthly basis in compliance with the Council's Financial Procedure Rules. Finance officers complete two reconciliations, a monthly reconciliation that compares transactions in the cashbook and financial management system (Agresso) with bank statements, and a cumulative reconciliation to check that the figures balance across the financial year. Operating procedures detailing how to complete the reconciliations are in place. The documents are version controlled; however, it would be beneficial to add review dates to ensure that they remain current.

A review of all 2024/25 monthly and cumulative bank reconciliations completed at the time of audit (April 2024 to November 2024) found that the reconciliations were generally completed within a reasonable time from month end. However, three monthly reconciliations (July 2024, August 2024 and November 2024) had not been dated therefore the timeliness could not be assessed. Similarly, there was evidence that most reconciliations had been independently reviewed by a senior officer. However, two monthly reconciliations (August 2024 and November 2024) had not been signed by a reviewing officer, therefore separation of duties could not be assessed. Officers should ensure that all reconciliations are independently reviewed and signed and dated by both the preparing officer and the reviewing officer in accordance with procedure.

Detailed testing of a sample of bank reconciliations found that most figures agreed to supporting evidence and that the arithmetic was generally correct. However, an issue was identified in the November 2024 monthly reconciliation. Errors in the spreadsheet formulas used to calculate the reconciliation figures resulted in discrepancies between the cashbook, financial management system and bank statement figures. A further review of all 2024/25 monthly reconciliations found similar issues in the May 2024 and September 2024 spreadsheets. These reconciliations had been reviewed by a senior officer; however, it did not appear that the variances were identified at the time. This has been raised with the Director Finance and the formulas have since been corrected. Recalculations confirmed that the reconciliations were balanced, with no errors or variances between the accounts. Officers should ensure that the review process is strengthened to provide assurance that any variances are investigated in all future reconciliations.

Based on the work performed during the audit, assurance opinions were given as follows:

| Assurance Opinion | |
|------------------------------|-------------------------|
| Control Environment | Good (Green) |
| Compliance | Moderate (Amber) |
| Organisational Impact | Low (Green) |

Payroll

The audit of payroll forms part of the 2024/25 suite of annually performed key financial system reviews and is undertaken in order to inform the Chief Internal Auditor's overall opinion on the financial control environment, which supports the Annual Governance Statement. Staff costs account for a significant proportion of the Council's total annual spend, therefore it is important to ensure that a sound framework of controls is in place to manage this expenditure effectively and minimize the risk of fraud or error. The Council has a managed payroll service with MHR (a specialist HR and Payroll Software and services provider) and an in-house Payroll Officer.

The audit assessed the effectiveness, accuracy and compliance of the payroll process with relevant policies, procedures and legislative requirements. The audit focussed on

user access controls, system parameters, non-standard payments and deductions, and the management of new starters and leavers.

Audit sample testing for 2024/25 has confirmed accurate and timely payments to staff and that key controls in relation to administering starters and leavers are robust and operating effectively.

Testing completed on a sample of 15 non-standard payments and deductions (e.g. bonuses, acting up allowance, overtime claims etc.) found that all had been processed accurately, were properly supported and approved in accordance with relevant policies.

Furthermore, access to the iTrent system is appropriately restricted to authorised personnel, and the system, provides sufficient audit trail functionality, ensuring traceability and oversight of payroll related activities.

Based on the work performed during the audit, assurance opinions were given as follows:

| Assurance Opinion | |
|------------------------------|----------------------------|
| Control Environment | Substantial (Green) |
| Compliance | Substantial (Green) |
| Organisational Impact | Low (Green) |

Treasury management

The Council defines its treasury management activities as the management of the Council's investments and cash flows; its banking, money market and capital market transactions; and the effective control of the risks associated with those activities. The Council must ensure compliance with statutory guidance and codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Ministry of Housing, Communities and Local Government (MHCLG) when setting up and approving its treasury management arrangements. This audit sought assurance that the key risks for the treasury management system have been identified and that robust and effective controls are in place to address these risks.

In summary the audit found that the Council has a formally approved Treasury Management Strategy that complies with statutory guidance for local government investments. There is an approved list of counterparties along with minimum acceptable credit criteria, monetary limits and maximum maturity periods. The Council use external treasury management advisers to acquire access to specialist resources and the terms of their appointment are formally documented. Treasury management activities are subject to regular reporting and scrutiny by the Finance and Assets Committee and Full Council. Officers and Members with responsibility for treasury management activities have received appropriate training for their duties. There are also procedures in place to monitor daily cashflow and identify opportunities to invest or drawback monies.

Testing of a sample of investment transactions found that segregation of duties for initiating and authorising investment transactions is in place. The investment transactions were accurately recorded and there was a clear audit trail of supporting documentation to evidence decision making. Investments are reconciled to the financial management system on a monthly basis. Insurance cover is also in place to provide protection against loss and fraud.

Based on the work performed during the audit, assurance opinions were given as follows:

| Assurance Opinion | |
|------------------------------|----------------------------|
| Control Environment | Substantial (Green) |
| Compliance | Substantial (Green) |
| Organisational Impact | Low (Green) |

2.4 Implementation of audit recommendations by officers

Where an Internal Audit review identifies any areas of weakness or non-compliance with the control environment, recommendations are made and an action plan agreed with management, with timeframes for implementation.

Since the last Audit Committee meeting, three agreed actions have been implemented by officers. An overview is provided in Table 2.

At the time of reporting, there is one action which is overdue for implementation – this relates to a strategy for private sector housing. Work on this is progressing but is subject to feedback from external partners and is due to be presented to Operational Committee in June 2025.

Table 1 - Progress against 2024/25 Internal Audit Plan

| Assignment | Planned start | Status | Assurance sought | Assurance Opinion | | | Comments |
|------------------------------|---------------|---------------------|--|---------------------|---------------------|-------------|-----------------|
| | | | | Control Environment | Compliance | Org impact | |
| Key financial systems | | | | | | | |
| Bank reconciliations | Q4 | Final report issued | <p>To review the design of, and compliance with, key controls within the Council's key financial systems, providing assurance over the controls in place to prevent and detect fraud and error. Focus on key controls in respect of:</p> <p>Written procedures to specify how bank reconciliations are to be completed; reconciliations being carried out by an appropriate officer in a timely manner and independently reviewed; and reconciliations completed fully and accurately with any unreconciled items identified and cleared in a timely manner.</p> | Good (Green) | Moderate (Amber) | Low (Green) | See section 2.3 |
| Payroll | Q3 | Final report issued | <p>To review the design of, and compliance with, key controls within the payroll and HR system, providing assurance over the controls to prevent and detect fraud and error. Focus on key controls in respect of:</p> <p>System access and parameters; Calculation of pay and deductions; Additional payments; Starters; and Leavers.</p> | Substantial (Green) | Substantial (Green) | Low (Green) | See section 2.3 |

| Assignment | Planned start | Status | Assurance sought | Assurance Opinion | | | Comments |
|-----------------------------------|---------------|----------------------------|---|----------------------------|----------------------------|-----------------------|---------------------------|
| | | | | Control Environment | Compliance | Org impact | |
| Accounts payable | Q4 | Draft report issued | | | | | |
| Accounts receivable | Q4 | Draft report issued | | | | | |
| Treasury management | Q4 | Final report issued | To provide assurance that the key risks for the treasury management system have been identified and that robust and effective controls are in place to address these risks. Focused on the risk of treasury management activities not being undertaken in accordance with regulatory or best practice requirements. | Substantial (Green) | Substantial (Green) | Low (Green) | See section 2.3 |
| Medium term financial strategy | Q3 | Final report issued | To provide assurances over the processes in place to inform the medium term financial strategy and linking this to associated strategies. | Good (Green) | Substantial (Green) | Low (Green) | Reported in February 2025 |
| Key policy compliance | | | | | | | |
| Decision making and delegations | Q1 | Final report issued | To provide assurance over compliance with the Council's Constitution and scheme of delegation in relation to decision making and evidence of compliance with delegated powers. | Moderate (Amber) | Good (Green) | Medium (Amber) | Reported in November 2024 |
| UK Shared Prosperity Fund (UKSPF) | Q3 | Final report issued | To provide assurance over the use of UKSPF monies (£839k); compliance with the terms and conditions; and consistent application of approved criteria for awarding grant monies. | Good (Green) | Good (Green) | Low (Green) | Reported in February 2025 |
| Procurement compliance | Q4 | Draft report issued | | | | | |

| Assignment | Planned start | Status | Assurance sought | Assurance Opinion | | | Comments |
|--------------------------------------|---------------|---------------------|--|---------------------|--------------|-------------|---------------------------|
| | | | | Control Environment | Compliance | Org impact | |
| Risk based audits | | | | | | | |
| Major project – Bereavement Centre | Q1 | Final report issued | To provide assurance over the project management arrangements in place to support delivery of this major projects on budget, within timescales and to expected standards. To include assurances at key stages of the project in relation to risk/issue management, governance and decision making, communications, project resources, project planning, quality management, benefits realisation and cost management. | Good (Green) | Good (Green) | Low (Green) | Reported in February 2025 |
| Supporting vulnerable people | Q1 | Final report issued | To seek assurance on the arrangements for supporting vulnerable customers and meeting legal duties (i.e. domestic abuse / antisocial behaviour / safeguarding arrangements / financial advice); adapting to and providing for emerging needs (i.e. cost of living / asylum contingency and dispersal / refugees); and ensuring support mechanisms including cost of living support funds have been designed to meet the needs of the right people and administered in accordance with expected controls. | Substantial (Green) | Good (Green) | Low (Green) | Reported in November 2024 |
| Housing allocations and homelessness | Q4 | Draft report issued | | | | | |
| Planning service review | Q4 | Fieldwork underway | | | | | |
| Grant claims | All year | Complete | | | | | |

| Assignment | Planned start | Status | Assurance sought | Assurance Opinion | | | Comments |
|--|---------------|-----------------|---|--|------------|------------|----------|
| | | | | Control Environment | Compliance | Org impact | |
| Governance and Counter Fraud | | | | | | | |
| Counter Fraud support / promotion / policies | TBC | As required | Not applicable – consultancy work. | Daily monitoring of Report Fraud mailbox | | | |
| National Fraud Initiative | TBC | As required | Not applicable – consultancy work. | | | | |
| Risk management support and real time assurances | Q1 – Q4 | Ongoing | Ongoing assurances over the controls listed in the Risk Register and supporting embedding of risk management. | Assurances provided on risk entries throughout the year. | | | |
| Annual Governance Statement support | Q1 | Complete | | N/A | | | |

Table 2 - Implementation of agreed management actions

| | 'High' priority recommendations | | 'Medium' priority recommendations | | 'Low' priority recommendations | | Total | |
|---|---------------------------------|-------------|-----------------------------------|-------------|--------------------------------|-------------|----------|-------------|
| | Number | % of total | Number | % of total | Number | % of total | Number | % of total |
| Actions due and implemented since last Committee meeting | - | - | - | - | 3 | 100% | 3 | 75% |
| Actions overdue by less than three months | - | - | - | - | - | - | - | - |
| Actions overdue by more than three months | - | - | 1 | 100% | - | - | 1 | 25% |
| Totals | 1 | 100% | 1 | 100% | 3 | 100% | 4 | 100% |

Table 3: Customer satisfaction

At the completion of each assignment, the auditor issues a customer satisfaction questionnaire (CSQ) to each client with whom there was a significant engagement during the assignment. The standard CSQ asks for the client's opinion on four key aspects of the assignment. The responses received in the year to date are set out below.

| Aspects of Audit Assignments | Not applicable | Outstanding | Good | Satisfactory | Poor |
|-------------------------------------|-----------------------|--------------------|-------------|---------------------|-------------|
| Design of Assignment | - | 7 | - | - | - |
| Communication during Assignments | - | 7 | - | - | - |
| Quality of Reporting | - | 7 | - | - | - |
| Quality of Recommendations | 2 | 3 | 2 | - | - |
| Total | 2 | 24 | 2 | - | - |

Glossary

At the completion of each assignment the Auditor will report on the level of assurance that can be taken from the work undertaken and the findings of that work. The table below provides an explanation of the various assurance statements that the Committee might expect to receive.

| Compliance Assurances | | |
|-----------------------|--|--|
| Level | Control environment assurance | Compliance assurance |
| Substantial | There is a sound system of internal control to support delivery of the objectives. | The control environment is operating as intended with no exceptions noted which pose risk to delivery of the objectives. |
| Good | There is generally a sound system of internal control, with some gaps which pose a low risk to delivery of the objectives. | The control environment is generally operating as intended with some exceptions which pose a low risk to delivery of the objectives. |
| Moderate | There are gaps in the internal control framework which pose a medium risk to delivery of the objectives. | Controls are not consistently operating as intended, which poses a medium risk to the delivery of the objectives. |
| Limited | There are gaps in the internal control framework which pose a high risk to delivery of the objectives. | Key controls are not consistently operating as intended, which poses a high risk to the delivery of the objectives. |
| No | Internal Audit is unable to provide any assurance that a suitable internal control framework has been designed. | Internal Audit is unable to provide any assurance that controls have been effectively applied in practice. |

| Organisational Impact | |
|-----------------------|--|
| Level | Definition |
| High | The weaknesses identified during the review have left the Council open to a high level of risk. If the risk materialises it would have a high impact upon the organisation as a whole. |
| Medium | The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a medium impact upon the organisation as a whole. |
| Low | The weaknesses identified during the review have left the Council open to low risk. This may have a low impact on the organisation as a whole. |

Limitations and responsibilities

Limitations inherent to the internal auditor's work

Internal Audit is undertaking a programme of work agreed by the Council's senior managers and approved by the Audit Committee subject to the limitations outlined below.

Opinion

Each audit assignment undertaken addresses the control objectives agreed with the relevant, responsible managers.

There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work; were excluded from the scope of individual internal assignments; or were not brought to Internal Audit's attention.

Internal control

Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making; human error; control processes being deliberately circumvented by employees and others; management overriding controls; and unforeseeable circumstances.

Future periods

The assessment of each audit area is relevant to the time that the audit was completed in. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management; internal control and governance; and for the prevention or detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.

Title: Internal Audit Charter and Mandate

Committee: Audit Committee

Date: 15th April 2025

Author: Chief Internal Auditor

Report No: Z168

Contact Officer:

Rachel Ashley-Caunt, Chief Internal Auditor

Rachel.ashley-caunt@northnorthants.gov.uk

1.0 Issue

- 1.1. To seek the Committee's annual approval of the Internal Audit Charter and Mandate.

2.0 Recommendation

- 2.1. That the Committee approves the Internal Audit Charter and Mandate.

3.0 Background / Options

- 3.1. The role of Internal Audit is to provide the Audit Committee, and management, with independent assurance on the effectiveness of the Council's governance, risk management and internal control environment.
- 3.2. The purpose of this Internal Audit Charter and Mandate is to define Internal Audit's purpose, authority and responsibility. It establishes the position of Internal Audit's activity within the Council and reporting lines; authorises access to records, personnel and physical property relevant to the performance of audit work; and defines the scope of Internal Audit activities.
- 3.3. The Internal Audit Charter and Mandate is subject to annual approval by the Audit Committee. Since the Committee last approved a Charter in March 2024, the document has been fully reviewed to align with the new Global Internal Audit Standards.
- 3.4. The Charter and Mandate reflects the expected role of the Audit Committee, in accordance with the Global Internal Audit Standards, on pages 4 and 5 of the Appendix.

4.0 Arguments / Conclusion

- 4.1. The attached report (Appendix 1) provides the Committee with the Internal Audit Charter and Mandate for formal review and approval.

5.0 Additional Implications Assessment

- 5.1 In the table below, please put Yes or No in each box:

| | | |
|--|--|--|
| Financial Implications No | Legal Implications No | Human Resources (HR) Implications No |
| Equality Impact Assessment (EIA) No | Carbon Impact Assessment (CIA) No | Data Protection Impact Assessment (DPIA) No |

6.0 Appendices

6.1 Appendix 1 – Internal Audit Charter and Mandate

7.0 Background Documents

7.1 None

Internal Audit Charter and Mandate

Purpose of the Internal Audit Service

The purpose of the Internal Audit Service is to strengthen East Cambridgeshire District Council's ability to create, protect and sustain value by providing the Full Council, Audit Committee, Corporate Management Team and management with independent, risk-based, and objective assurance, advice, insight and foresight.

The role of the Internal Audit Service includes:

- Supporting the delivery of the Council's strategic objectives by providing risk-based and objective assurance on the adequacy and effectiveness of governance, risk management and internal controls;
- Championing good practice in governance through assurance, advice and contributing to the Council's annual governance review; and
- Advising on governance, risk management and internal control arrangements, including for major projects, programmes and system changes.

East Cambridgeshire District Council's Internal Audit Service is provided by the Internal Audit service at North Northamptonshire Council under a delegation agreement. The Chief Internal Auditor is employed by North Northamptonshire Council and fulfils the role of Chief Audit Executive under the Global Internal Audit Standards.

The Internal Audit Service enhances East Cambridgeshire District Council's:

- Successful achievement of its objectives;
- Governance, risk management, and control processes;
- Decision-making and oversight;
- Reputation and credibility with its stakeholders; and
- Ability to serve the public interest.

East Cambridgeshire District Council's Internal Audit Service is most effective when:

- a) Internal auditing is performed by competent professionals in conformance with Internal Audit Standards, which are set in the public interest.
- b) The Internal Audit Service is independently positioned with direct accountability to the Corporate Management Team and Audit Committee.
- c) Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards in the UK Public Sector

East Cambridgeshire District Council's Internal Audit Service will adhere to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards. This will take into account:

- a) the CIPFA Application Note, which provides a framework for the practice of internal audit in the UK public sector when taken together with the Global Internal Audit Standards; and
- b) the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government, which complements the Global Internal Audit Standards from the perspective of the Head of Internal Audit.

Overall, this means that the Internal Audit Service will adhere to the "Global Internal Audit Standards in the UK Public Sector".

The Chief Internal Auditor will report periodically to the Corporate Management Team and the Audit Committee regarding the Internal Audit Service's conformance with the Standards, Application Note, and CIPFA Code, which will be assessed through a quality assurance and improvement programme.

Authority (Internal Audit Mandate)

East Cambridgeshire District Council's Internal Audit Service mandate is found in two pieces of legislation:

- I. Section 151 of the Local Government Act 1972, requires that authorities 'make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs'.

The Council's Constitution Part 4 – Rules of Procedure state that the Director of Finance, as the Section 151 Officer, has this responsibility.

- II. The Accounts and Audit Regulations 2015 (Part 2: Internal Control, Section 5: Internal Audit) require that: a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

Any officer or member of a relevant body must, if required to do so for the purposes of internal audit –

- a) make available such documents and records; and

b) supply such information and explanations as are considered necessary by those conducting the internal audit.

In this regulation “documents and records” includes information recorded in an electronic form.

This is formalised in the Council’s Constitution (The Financial Regulations (Constitution Part 4 – Rules of Procedure)).

The Internal Audit Service’s authority is created by its direct reporting relationship to the Corporate Management Team and Audit Committee. Such authority allows for unrestricted access and is confirmed in the Council’s Constitution.

The Corporate Management Team and Audit Committee authorise the Internal Audit Service to:

- a) Have full and unrestricted access to all functions, data, records, information, physical property, and personnel that it considers necessary to fulfil its responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information;
- b) Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function’s objectives; and
- c) Obtain assistance from internal or external specialised services to complete internal audit services.

Internal Audit will be appropriately staffed in terms of numbers, qualification levels and experience. The Chief Internal Auditor will report on the adequacy of resources to the Chief Financial (s151) Officer and to the Audit Committee.

Independence, Organisational Position, and Reporting Relationships

The Chief Internal Auditor will be positioned at a level that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the Internal Audit Service. The Chief Internal Auditor will report functionally to the Corporate Management Team and Audit Committee and administratively (for example, day-to-day operations) to the Director of Finance, as the Chief Financial (Section 151) Officer. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Corporate Management Team and Audit Committee, when necessary, without interference, and supports the internal auditors’ ability to maintain objectivity.

The Chief Internal Auditor will confirm to the Corporate Management Team and Audit Committee, at least annually, the organisational independence of the Internal Audit Service. If the governance structure does not support

organisational independence, the Chief Internal Auditor will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.

The Chief Internal Auditor will disclose to the Corporate Management Team and Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the Internal Audit Service's effectiveness and ability to fulfil its mandate.

If requested to undertake any additional roles or responsibilities outside of Internal Auditing, the Chief Internal Auditor must highlight to the Audit Committee any potential or perceived impairment to independence and objectivity having regard to the principles contained within the Code of Ethics. The Audit Committee must approve and periodically review any safeguards put in place to limit impairments to independence and objectivity.

Audit Committee

The role of the Audit Committee in relation to Internal Audit is:

- a) to oversee its independence, objectivity, performance, and professionalism;
- b) to support the effectiveness of the Internal Audit process; and
- c) to promote the effective use of Internal Audit within the assurance framework.

The Audit Committee's terms of reference, with regards to Internal Audit, state responsibility for:

- a) approving the internal audit charter and monitor the performance of Internal Audit;
- b) receiving reports on the progress against the annual internal audit plan;
- c) receiving reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.;
- d) receiving the Internal Audit Annual Plan for the Council and Annual Internal Audit report, addressing key internal control issues as required;
- e) approving significant interim changes to the risk-based internal audit plan and resource requirements; and
- f) provide free and unfettered access to the Chair for the Chief Internal Auditor, including the opportunity for a private meeting with the Committee.

To establish, maintain, and ensure that East Cambridgeshire District Council's Internal Audit Service has sufficient authority to fulfil its duties, the Audit Committee will:

- a) Discuss with the Chief Internal Auditor and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and / or advisory) of the Internal Audit Service.
- b) Ensure the Chief Internal Auditor has unrestricted access to, communicates, and interacts directly with the Audit Committee, including in private meetings without senior management present.
- c) Discuss with the Chief Internal Auditor and senior management other topics that should be included in the Internal Audit Charter.
- d) Participate in discussions with the Chief Internal Auditor and senior management about the “essential conditions”¹, described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- e) Approve the Internal Audit Service’s Charter, which includes the Internal Audit Mandate and the scope and types of internal audit services.
- f) Review the Internal Audit Charter periodically with the Chief Internal Auditor to consider changes affecting the Council, such as the employment of a new Chief Internal Auditor or changes in the type, severity, and interdependencies of risks to the Council.
- g) Approve the risk-based internal audit planning process and plan.
- h) Receive communications from the Chief Internal Auditor about the Internal Audit Service including its performance relative to its plan.
- i) Ensure a quality assurance and improvement programme has been established and review the results annually.
- j) Make appropriate inquiries of senior management and the Chief Internal Auditor to determine whether scope limitations are inappropriate.

In accordance with the Global Internal Audit Standards in the UK public sector – Application note, the following are adaptations to Global Internal Audit standard requirements:

- k) Provide view, where appropriate, on the internal audit function’s human resources administration and budgets and expense.
- l) Provide input, where requested, to senior management on the appointment and removal of the Chief Internal Auditor, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards; and
- m) Provide input, as required, to senior management on the Chief Internal Auditor’s performance.

The Audit Committee cannot direct the work of Internal Audit.

¹ “essential conditions” relate to activities of senior management and the Audit Committee, under Domain 3 of the Global Internal Audit Standards, which are essential to the Internal Audit Service’s ability to fulfill its Purpose

Roles and Responsibilities of the Chief Internal Auditor

Ethics and Professionalism

The Chief Internal Auditor will ensure that internal auditors:

- a) Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- b) Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Council and be able to recognise conduct that is contrary to those expectations.
- c) Encourage and promote an ethics-based culture in the Council.
- d) Report on organisational behaviour that is inconsistent with the Council's ethical expectations, as described in applicable policies and procedures.

Objectivity

The Chief Internal Auditor will ensure that the Internal Audit Section remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Internal Auditor determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgement on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgement, including:

- a) Assessing specific operations for which they had responsibility within the previous year.
- b) Performing operational duties for East Cambridgeshire District Council or its affiliates.
- c) Initiating or approving transactions external to the Internal Audit Service.
- d) Directing the activities of any Council employee that is not employed by the Internal Audit Service, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- a) Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Chief Internal Auditor, the Audit Committee, management or others.
- b) Exhibit professional objectivity in gathering, evaluating, and communicating information.
- c) Make balanced assessments of all available and relevant facts and circumstances.
- d) Take necessary precautions to avoid conflicts of interest, bias and undue influence.

Managing the Internal Audit Service

The Chief Internal Auditor holds a professional qualification (Chartered Institute of Public Finance & Accountancy) and is suitably experienced in internal audit and counter fraud work.

The Chief Internal Auditor has the responsibility to:

- a) Develop a risk-based internal audit planning process that considers the input of senior management and the Audit Committee. The Chief Internal Auditor will discuss the planning intentions with the Corporate Management Team and report these to the Audit Committee for review and approval.
- b) Communicate the impact of resource limitations on the internal audit plan to the Corporate Management Team and Audit Committee.
- c) Ensure the work carried out by the Internal Audit Service is relevant and responds to changes in the Council's risks, operations, programmes, systems, and controls.
- d) Communicate with the Corporate Management Team and Audit Committee throughout the year on the internal audit work being undertaken and upcoming planning intentions.
- e) Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector, and other relevant laws and / or regulations.
- f) Follow up on engagement findings, confirm the implementation of agreed actions, and communicate the results of internal audit work to the Corporate Management Team and Audit Committee for each engagement, as appropriate.
- g) Ensure the Internal Audit Service collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfil the Internal Audit Mandate.
- h) Identify and consider trends and emerging issues that could impact East Cambridgeshire District Council and communicate to the Corporate Management Team and Audit Committee, as appropriate.
- i) Consider emerging trends and successful practices in internal auditing.

- j) Establish and ensure adherence to methodologies designed to guide the Internal Audit Service.
- k) Ensure adherence to East Cambridgeshire District Council's relevant policies and procedures unless such policies and procedures conflict with the Internal Audit Charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the Corporate Management Team and Audit Committee.
- l) Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Chief Internal Auditor cannot achieve an appropriate level of coordination, the issue must be communicated to the Corporate Management Team and, if necessary, escalated to the Audit Committee.

The Chief Internal Auditor has no direct operational responsibility or authority over any of the activities that the Internal Audit Service reviews.

The Chief Internal Auditor must provide an annual assurance opinion to inform the Council's Annual Governance Statement. In doing so, the Chief Internal Auditor will seek to align the continuous development of successive internal audit plans with the provision of an annual opinion reflecting reliance on previous year's internal audit work, the changing risk environment and the Council's longer-term assurance needs.

Communication with the Corporate Management Team and Audit Committee

The Chief Internal Auditor will report periodically to the Corporate Management Team and Audit Committee (as detailed below) regarding:

- a) The Internal Audit Service's Mandate (via annual paper to the Audit Committee).
- b) The internal audit planning process, including resources and budget (annual planning process paper to the Audit Committee).
- c) Internal Audit key performance indicators (in annual report of the Chief Internal Auditor and regular progress reports).
- d) Current and potential audit work (at each meeting of the Audit Committee via progress reports).
- e) Significant revisions to internal audit resources and budget (at each meeting of the Audit Committee via progress reports).
- f) Potential impairments to independence, including relevant disclosures as applicable (by exception, in progress papers to the Audit Committee, and annual report of the Chief Internal Auditor).
- g) Results from the quality assurance and improvement programme, which include the Internal Audit Service's conformance with the Global Internal Audit Standards in the UK Public Sector and action plans to address the Internal Audit Service's deficiencies and opportunities for improvement (in progress reports to the Audit Committee and annual report of the Chief Internal Auditor).

- h) Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the Council's strategic objectives (in progress reports to the Audit Committee and annual report of the Chief Internal Auditor).
- i) Results of assurance and advisory services (in progress reports to the Audit Committee and annual report of the Chief Internal Auditor).
- j) Management's responses to a risk that the Internal Audit Service determines may be unacceptable, taking into account proportionality and the current climate (in progress reports to the Audit Committee and annual report of the Chief Internal Auditor).

Quality Assurance

The Head of Internal Audit will develop, implement, and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the Internal Audit function. The programme will include external and internal assessments of the Internal Audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the Internal Audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The programme will also assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. If applicable, the assessment will include plans to address the Internal Audit function's deficiencies and opportunities for improvement.

Internal review of work standards will be undertaken through a system of managerial review involving the Chief Internal Auditor. This incorporates a review of all documentation and evidence, and the accuracy of the report.

Feedback is requested from managers following audit assignments to obtain their satisfaction with the internal audit service provided. The results of the feedback will be reported in the annual report of the Chief Internal Auditor.

A suite of performance indicators and targets is developed annually to monitor the quality of the service provided, the results of which are reported in the annual report of the Chief Internal Auditor and throughout the year in the progress reports to the Audit Committee.

Annually, the Head of Internal Audit will communicate with the Audit Committee and senior management about the Internal Audit function's QAIP, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.

External Quality Assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Council; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

Scope and Types of Internal Audit Services

The scope of Internal Audit services covers the entire breadth of the organisation, including all of East Cambridgeshire District Council's activities, assets, and personnel. The scope of Internal Audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for East Cambridgeshire District Council.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the Internal Audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

This effectively means that Internal Audit has independent oversight of all the Council's operations, resources, services and processes and Internal Audit engagements may include evaluating whether:

- Risks relating to the achievement of East Cambridgeshire District Council's strategic objectives are appropriately identified and financial and other management controls manage the risks to achieve the Council's objectives.
- The actions of East Cambridgeshire District Council's officers, Corporate Management Team, employees, and contractors or other relevant parties comply with East Cambridgeshire District Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programmes are consistent with established goals and objectives.
- Operations and programmes are being conducted effectively, efficiently, and ethically.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact East Cambridgeshire District Council.
- The integrity of information and the means used to identify, measure, analyse, classify and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, protected adequately. accounted for and safeguarded from losses arising from:
 - Fraud and other offences
 - Waste, extravagance and inefficient administration, poor value for money and other causes.

The scope of Internal Audit work may also include:

- Reviewing the suitability and reliability of financial and other management data developed within the organisation.
- Reviewing awareness of risk and its control and providing advice to management on risk mitigation and internal control in financial or operational areas where new systems are being developed or where improvements are sought in the efficiency of existing systems.
- Raising awareness of fraud and corruption.
- Investigating allegations of fraud and corruption.
- Providing advice (consultancy) to Directorates for a variety of issues, such as project assurance, controls advisory requests, areas of concern and lessons learnt reviews.

Where the Chief Internal Auditor considers that the scope of audit work is being restricted, the Director of Finance and the Audit Committee will be advised.

Internal Audit is not relieved of its responsibilities in areas of the Council's business that are subject to review by others but will assess the extent to which it can rely upon the work of others and co-ordinate its audit planning with the plans of such review agencies.

The Chief Internal Auditor will provide an annual audit opinion as to the adequacy of the Council's governance arrangements, internal controls, and risk management processes. This will be used to support the Council's Annual Governance Statement.

Title: Internal Audit Plan 2025/26

Committee: Audit Committee

Date: 15th April 2025

Author: Chief Internal Auditor

Report No: Z169

Contact Officer:

Rachel Ashley-Caunt, Chief Internal Auditor

Rachel.ashley-caunt@northnorthants.gov.uk

1.0 Issue

1.1. The report seeks the Committee's approval of the Internal Audit Plan for 2025/26.

2.0 Recommendations

2.1. That the Committee approves the Internal Audit Plan for 2025/26.

2.2. That the Committee approves delegation to the Finance Director, in consultation with the Chair of the Audit Committee, to approve amendments to the Internal Audit Plan, if required.

3.0 Background / Options

3.1. The role of Internal Audit is to provide the Audit Committee, and management, with independent assurance on the effectiveness of the internal control environment. The Public Sector Internal Audit Standards require that the Chief Internal Auditor must "establish risk based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals" and "must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management (Corporate Management Team) and the board (Audit Committee) for review and approval".

3.2. The Internal Audit plan for 2025/26 has been developed based on an assessment of the Council's Corporate Plan and Risk Register, and in consultation with senior management. The Chief Internal Auditor has also considered the Internal Audit coverage over the last four years and any areas where audit assurances or follow up work may be of value.

3.3. The draft audit plan is provided in Appendix 1, along with details on the audit planning process.

3.4. In order to support the Internal Audit service in being responsive to changes in the risk environment, it is recommended that a delegation be approved to enable the Chief Internal Auditor to obtain approval for in year amendments to the plan from the Director Finance (Section 151 Officer) and Chair of the Audit Committee. Any

such amendments would be reported at the subsequent meeting of the Audit Committee.

4.0 Arguments / Conclusion

4.1. The attached report (Appendix 1) provides the Committee with the proposed Internal Audit plan for 2025/26 for approval.

5.0 Additional Implications Assessment

5.1 In the table below, please put Yes or No in each box:

| | | |
|---|---|---|
| Financial Implications No | Legal Implications No | Human Resources (HR) Implications No |
| Equality Impact Assessment (EIA) No | Carbon Impact Assessment (CIA) No | Data Protection Impact Assessment (DPIA) No |

6.0 Appendices

6.1 Appendix 1 – Internal Audit Plan 2025/26

7.0 Background Documents:

7.1 None



Internal Audit Plan 2025/26

East Cambridgeshire District Council

Internal Audit Plan 2025/26

1. Introduction

- 1.1 This report sets out the proposed work of Internal Audit at East Cambridgeshire District Council for 2025/26 for review and approval by the Audit Committee.
- 1.2 Internal Audit provides independent assurance designed to add value and support the Council in achieving its priorities and objectives. To deliver this, East Cambridgeshire District Council commissions 210 days for delivery of the Internal Audit service on an annual basis.
- 1.3 The provision of assurance services is the primary role for Internal Audit in the public sector. This role requires the Chief Internal Auditor to provide an annual Internal Audit opinion based on an objective assessment of the framework of governance, risk management and control.
- 1.4 Internal Audit also provide consultancy services which are advisory in nature and are generally performed at the specific request of the organisation, with the aim of improving governance, risk management and control and contributing to the overall opinion. Any proposed consultancy/advisory work is clearly specified as such on the Audit Plan.
- 1.5 The Global Internal Audit Standards require the internal audit plan to:
- a) Consider the internal audit mandate and the full range of agreed-to internal audit services.
 - b) Specify internal audit services that support the evaluation and improvement of the organisation's governance, risk management, and control processes.
 - c) Consider coverage of information technology governance, fraud risk, the effectiveness of the organisation's compliance and ethics programs, and other high-risk areas.
 - d) Identify the necessary human, financial, and technological resources necessary to complete the plan.
 - e) Be dynamic and updated timely in response to changes in the organisation's business, risks operations, programs, systems, controls, and organizational culture.

2. The Audit Plan

- 2.1 The Audit Plan covers the two key component roles of Internal Audit:
- The provision of an independent and objective opinion to the Section 151 Officer and the Audit Committee on the degree to which risk management, control and governance support the achievement of Council objectives; and
 - The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.
- 2.2 Central to the organisation, is the core delivery of the Council's objectives and corporate plan. The risk based audits are focused upon providing independent assurance over the controls in place to support delivery of those objectives and manage the strategic risks.

2.3 In order to protect the Council in delivering these objectives, it is essential that the Council's key corporate controls and policies are operating effectively to prevent the risk of financial loss, failure to comply with legislation, lack of accountability and reputational damage. These controls and policies cover both financial and non-financial systems and processes. These policies and controls must be complied with by all service areas to secure the Council's ongoing stability and service delivery.

2.4 Further protecting and underpinning the Council's ongoing delivery of its objectives are robust counter fraud controls and good governance. Without these, the Council would be exposed to the risk of fraud and corruption (both internally and externally), uninformed or non-transparent decision making, loss of accountability and direction, poor risk management and failure to embed and demonstrate ethical behaviours and values.

2.5 As such, the Audit Plan is designed to deliver independent, objective assurance on each of these areas – which are vital to the successful delivery of the Council's objectives and services.

Value for money

2.6 In addition to assurance over governance, risk management and controls, the Audit Plan should also provide assurance over the Council's delivery of value for money. Assurance over value for money is embedded within each audit assignment.

2.7 Some of the corporate level audits will provide specific assurances in relation to the value for money requirements – the audit of procurement compliance, for example, will seek assurance over the effective procurement of supplies and services.

Fraud risks

2.8 In the scoping of every audit assignment, consideration is given to any fraud risks associated with the processes under review. These are specifically considered for any relevant audit coverage.

2.9 In addition, the Internal Audit team also support with pro-active counter fraud work and are available to provide ad-hoc advice and assistance should any concerns be raised. The Council's whistleblowing policy provides Internal Audit as a point of contact for raising concerns and, should any investigation work be required, the team includes officers with the skillset and experience to deliver fact finding investigation work.

3. Planning process

3.1 In order to ensure that the Audit Plan for 2025/26 addresses the Council's key risks and adds value, the Chief Internal Auditor has identified and prioritised the areas for coverage by:

- Reviewing the Council's Risk Registers and Corporate Plan;
- Considering the sources of assurance listed against each of the Council's risk entries, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
- Identifying any areas of the Audit Universe (a list of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last four years;
- Considering latest finance and performance reporting for areas of underperformance and spend;
- Consulting the Audit Committee on risk areas for consideration; and

- Meeting with members of Corporate Management Team to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.

3.2 The process has also incorporated consideration of potential audits which can be undertaken by drawing upon similar emerging themes from all councils with whom North Northamptonshire Council's Internal Audit team works.

3.3 Following this consultation and review, a draft Internal Audit Plan has been compiled and is provided in Table 1.

3.4 In order to ensure the Audit Plan addresses the Council's key risks and that the service is able to respond to any in year changes to the organisation's business, risks, operations, programs or systems, it is vital that the content of the Plan be subject to ongoing review throughout the financial year. To enable the service to be responsive and ensure all audit resources are used effectively and add maximum value, it is recommended that arrangements be agreed to allow changes to the Plan to be made between Audit Committee meetings, involving consultation between the Chief Internal Auditor, the S151 Officer and Chair of the Audit Committee.

Resources

3.5 The audit assignments are delivered by a team of audit staff including a mix of highly regarded professional qualifications (including CIPFA, ACCA and IIA) and extensive experience in the public and private sector. Absences and resource gaps/vacancies can be filled by the wider team, providing the resilience and stability of the delegated service.

3.6 Efforts are constantly made to ensure all clients benefit from the delegated arrangement and this work with multiple local authorities. This includes achieving efficiencies in delivering assignments, sharing of knowledge and experience and opportunities to deliver cross-cutting reviews.

3.7 Every year, all members of the team complete a declaration form to ensure and maintain independence and objectivity in conducting all assignments. As such, the Chief Internal Auditor can confirm the service's independence. The delegated service model also enables the Chief Internal Auditor to allocate audits to various officers over time, to avoid risks associated with over familiarity.

3.8 On an annual basis, the Chief Internal Auditor completes a self-assessment of the Internal Audit service against the relevant Internal Audit Standards. In doing so, the Chief Internal Auditor must consider whether the resource base and mix is adequate and would highlight to the S151 officer and Audit Committee if there were any concerns that the resources in place could not provide the required coverage to inform the annual Assurance Opinion.

Table 1: Draft Internal Audit Plan 2025/26

| Assurance areas | Internal Audit assignments and assurances sought | Audit days | Risk entries | Corporate objective | Initial timing (financial year quarter) |
|--|--|-------------------|---------------------|---|--|
| Real time assurance work | Risk management Rolling reviews of risk register entries, to confirm that listed controls are in place and operating as stated; and actions recorded on the register are progressing as reported. | 14 | All | All | All year |
| Financial system key controls | Bank reconciliation Annual assurances over the bank reconciliation processes and controls. | 6 | C6 | Sound financial management | Q4 |
| | Accounts payable Cyclical assurances over key processes and controls for the payments system. | 7 | C6 | | Q4 |
| | Accounts receivable Cyclical assurances over key processes and controls for the sundry debtors system. | 6 | C6 | | Q4 |
| | Payroll Cyclical assurances over key processes and controls for the processing of payroll. | 7 | C6 | | Q4 |
| Compliance with key corporate controls and policies | Procurement compliance To provide annual assurance over compliance with the Council's contract procedure rules in the procurement of goods and services. Informs the annual assurance opinion of internal control and value for money. | 10 | C6 B1 | Sound financial management | Q4 |
| | Information requests To provide assurance over the timely and compliant handling of Freedom of Information (Fol) and Environmental Information Requests (EIRs). | 8 | C4 | Sound financial management | Q2 |
| Risk based audit coverage | Major project – Bereavement centre (embedded assurance) To continue assurance over the project management arrangements in place to support delivery of this major projects on budget, within timescales and to expected standards. To include assurances at key stages of the project in relation to risk/issue management, governance and decision making, communications, project resources, project planning, quality management, benefits realisation and cost management. | 12 | A8 | Sustainable communities Sound financial management | In accordance with project lifecycle |
| | Asset management To provide assurance over asset management processes, including both compliance regimes for corporate properties and management of leased assets. | 10 | B3 | Sound financial management | Q1 |
| | Disaster recovery To provide assurance over the Council's disaster recovery arrangements to support restoration of systems in the case of an unplanned outage or incident. | 7 | C1 C2 | All | Q1 |

| Assurance areas | Internal Audit assignments and assurances sought | Audit days | Risk entries | Corporate objective | Initial timing (financial year quarter) |
|--|--|-------------------|---------------------|--------------------------------------|--|
| | Health and Wellbeing Strategy To provide assurance over the arrangements to monitor and report on delivery of this strategy and associated action plans. | 6 | A5 | Sustainable communities | Q2 |
| | Governance of the trading companies To provide assurance over the Council's management of the trading companies - i.e. contract management arrangements, integrity of performance reporting and risk management. | 10 | A2 A7 | Sound financial management | Q3 |
| | Net Zero To provide assurance over the Council's plans for reaching Net Zero and how this has been informed/developed. | 6 | C7 | Cleaner, greener East Cambridgeshire | Q3 |
| | Preparedness for changes in waste regulations To provide assurance over the Council's preparedness for changes in the waste services and national requirements, including procurement exercises. | 7 | A7 | Cleaner, greener East Cambridgeshire | Q3 |
| Governance and counter fraud | Counter fraud support and training (advisory) To support the embedding of the counter fraud culture and policies through delivery of training; monitoring of the Report Fraud mailbox; providing ad hoc advice and support to officers; and counter fraud awareness publicity. | 5 | C6 | Sound financial management | All year |
| | National Fraud Initiative (advisory) Support with reviewing and investigating matches identified by the National Fraud Initiative. | 10 | C6 | Sound financial management | All year |
| Grant claim verification | Including verification of homelessness grant monies and disabled facilities grants. | 5 | - | Sound Financial Management | As required |
| Revenues and benefits partnership | To seek assurance over the controls operating in the management of revenues and benefits services – given the high volume and value of transactions. To cover controls relating to: Council Tax Benefits & Overpayments National Non Domestic Rates | 35 | B1 | Sound Financial Management | Q4 |
| Local government reform | Ad hoc support and assurance work, if required. | 1 | | | As required |
| Support to East Cambridgeshire District Council | Including ad-hoc advice and assistance, annual Internal Audit report, assessments and partnership working with external auditors. | 13 | | | |

| Assurance areas | Internal Audit assignments and assurances sought | Audit days | Risk entries | Corporate objective | Initial timing (financial year quarter) |
|---|---|-------------------|---------------------|----------------------------|--|
| Follow up of audit recommendations | Monthly follow ups on all open audit recommendations and review of evidence supplied. | 5 | | | |
| Supporting and reporting to Audit Committee and management | Reporting and attendance at Audit Committee and Member training, as required. | 10 | | | |
| Other advisory work | Annual Governance Statement - Advisory, independent support on development of the Annual Governance Statement, collation of assurances and compliance with latest CIPFA guidance. | 10 | | | |
| Total days | | 210 | | | |

Audit Committee Annual Agenda Plan

Lead Officer: Ian Smith, Director Finance
Democratic Services Officer: Patrick Adams

| | |
|--|-----------------------------------|
| Tue 15 July 2025 | 4:30pm |
| Chair's Announcements | Chair |
| External Audit Plan for 2024/25 | External Audit |
| Internal Audit Annual Report and Opinion 2024/25 | Internal Audit |
| Internal Audit Progress Report | Internal Audit |
| Draft Statement of Accounts 2024/25 | Director Finance and S151 Officer |
| Draft Annual Governance Statement 2024/25 | Chief Executive |
| Annual Information Governance Report | Director Legal |
| Corporate Risk Management Report | Director Finance and S151 Officer |
| Actions taken by the Director Finance on the grounds of urgency (if any) | Democratic Services Officer |
| Forward Agenda Plan | Democratic Services Officer |
| | |
| Tue 21 October 2025 | 4:30pm |
| Chair's Announcements | Chair |
| Annual Governance Statement 2024/25 – Final Draft | Chief Executive |
| External Audit Update 2024/25 | External Audit |
| Internal Audit Progress Report | Internal Audit |
| Anti-Fraud and Corruption Strategy – Policy Update (Constitution) | Director Finance and S151 Officer |
| Actions taken by the Director Finance on the grounds of urgency (if any) | Democratic Services Officer |
| Forward Agenda Plan | Democratic Services Officer |
| | |
| Tue 2 February 2026 | 4:30pm |
| Chair's Announcements | Chair |
| External Audit – Audit of 2024/25 Accounts | External Audit |
| Internal Audit Progress Report | Internal Audit |
| Internal Audit Plan Development 2025/26 | Internal Audit |
| Statement of Accounts 2024/25 | Director Finance and S151 Officer |
| Corporate Risk Management Monitoring Report | Director Finance and S151 Officer |
| Actions taken by the Director Finance on the grounds of urgency (if any) | Democratic Services Officer |
| Forward Agenda Plan | Democratic Services Officer |
| | |
| Tue 17 March 2026 | 4:30pm |
| Chair's Announcements | Chair |
| External Audit Plan for 2025/26 | External Audit |
| Internal Audit Work Plan for 2025/26 | Internal Audit |
| Internal Audit Progress Report | Internal Audit |
| Internal Audit Charter and Mandate | Internal Audit |

Notes:

1. Agenda items which are likely to be “urgent” and therefore not subject to call-in are marked *
2. Agenda items in italics are provisional items / possible items for future meetings.

**Audit Committee
Annual Agenda Plan**

**Lead Officer: Ian Smith, Director Finance
Democratic Services Officer: Patrick Adams**

| | |
|--|-----------------------------------|
| Audit Committee Annual Report 2025/26 | Director Finance and S151 Officer |
| Actions taken by the Director Finance on the grounds of urgency (if any) | Democratic Services Officer |
| Forward Agenda Plan | Democratic Services Officer |

Notes:

- 1. Agenda items which are likely to be “urgent” and therefore not subject to call-in are marked *
- 2. Agenda items in italics are provisional items / possible items for future meetings.