

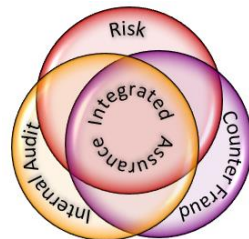
Internal Audit Progress Report 2025-26

Plymouth City Council Audit & Governance Committee



September 2025

Official



Tony Rose
Head of Devon Audit Partnership

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Introduction

This report provides a summary of performance in the year up to 30th June 2025 against the 2025/26 Internal Audit Plan, below, agreed by Audit and Governance Committee at its meeting on 11th March 2025, highlighting the key areas of work undertaken and summarising our main findings and audit opinions. The key objectives of the Devon Audit Partnership (DAP) are to provide assurance to the Audit and Governance Committee, Section 151 Officer (Service Director for Finance) and senior management on the adequacy and security of the systems and controls operating within the Council and to provide advice and assurance to managers and staff.

High Level Summary Audit Plan				Corporate	Client and Audit Governance
Adult, Health and Communities	Children's Services	Growth	Public Health	Programme and Project Management Commercial Services Transparency in Decision Making Risk Management Data Protection, Data Asset Management, Information Governance Contract Standing Orders - Directors waivers, mitigation of fraud, corruption and collusion. MTFS – Delivering Savings and Transformation Plans Facilities Management – Asset Management Plan DBS Checks Overseas Worker Checks Corporate Establishment Workforce strategy and succession planning Devolution Procurement Act Purchasing / Procurement Compliance Fuel Cards Follow Up	Management Action Tracking Corporate Governance Audit Planning and Co-ordination Liaison with External Auditor Advice
Adult Social Care Governance Homelessness Better Care Finance Adult Brokerage Housing Systems and Data Direct Payments Deprivation of Liberty Safeguarding Deputyships Eclipse Phase 3 - Finance Module Disabled Facilities Grant ASC Debt Management	School Transport Connect to Work Programme Virtual School School Effectiveness and School Improvement Offer Legal Care Proceedings CYP&F Finance Team Plymouth Children's Homes	Tree Management Policy and Processes Safety at Sports Grounds Commercial Waste	The Park – Financial Management		
Core Assurance	Key Financial Systems – Payroll, Creditor Payments, Debtors and Debt Management, Main Accounting System, Council Tax, Business Rates, Housing Benefits, Treasury Management, Income/Cash Collection, Budget Management.				
	Grants – Grant Certification				
	ICT – IT Governance, Asset Management, Vulnerabilities (Patch) Management, Ethical Use of AI.				

Review of Audit Progress

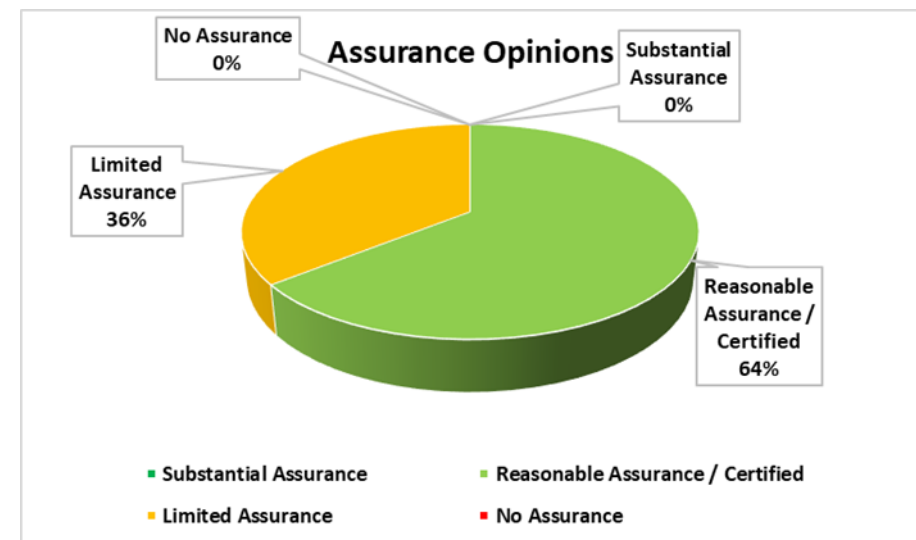
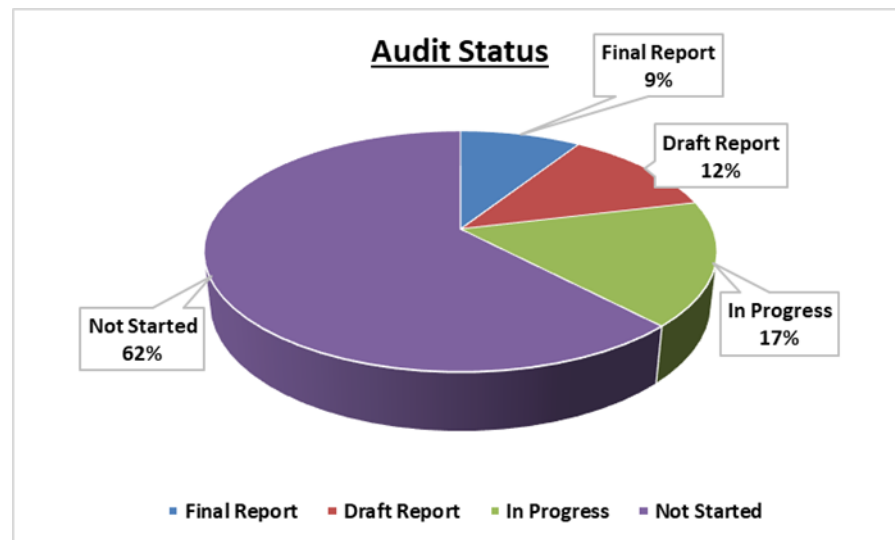
As of 30 June 2025, 38% of the 2025/26 Internal Audit Plan has either been completed or is currently in progress. Of the audits finalised to date, 64% have resulted in a “Reasonable Assurance” or “Certified” opinion, reflecting generally sound governance and control frameworks across the Council.

Audit activity during this period includes the completion of six audits from the 2024/25 Internal Audit Plan. These reviews were finalised after the financial year-end and required audit time and resource commitment due to their complexity and the need for thorough evaluation. The audits covered critical areas such as IR35 compliance, debtors management, joint-funded care packages, and children’s independent placements.

Key areas reviewed in the 2025/26 Plan so far include cyber risk governance, school transport and purchasing card compliance. While many areas demonstrated robust controls, several audits identified opportunities for improvement, particularly in cyber security governance, and joint-funded care arrangements, which received “Limited Assurance” ratings.

In addition to assurance work, Internal Audit continues to provide advisory support on strategic initiatives including the Improvement and Assurance Framework and Eclipse system implementation, alongside mandatory grant certification audit work. A diverse range of audits are currently underway, with further reviews scheduled throughout the year to ensure comprehensive coverage of high-risk and priority areas.

We continue to work closely with management to ensure the Council’s evolving audit needs are reflected in our agile audit plan. This approach ensures our work remains aligned with the Council’s key objectives and associated risks. Final audit reports include action plans with named responsible officers and target dates to address control issues and implement efficiency recommendations.



Internal Audit Progress 2025/26 - Audit Status and Assurance Opinion

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions			
						H	M	L	O
IR35 Follow Up (2024/25 IA Plan)	Assurance	Final 03/06/2025	Limited	Previously reported to Committee in July 2025. 001a PCC IA End of Year Report 24-25 Final July 2025.pdf	5	3	2	0	0
Debtors (01/07/2025) (2024/25 IA Plan)	Assurance	Final 01/07/2025	Limited	Previously reported to Committee in July 2025. 001a PCC IA End of Year Report 24-25 Final July 2025.pdf	8	1	6	0	1
Garage Commercial Financial Management 2025-26 (2024/25 IA Plan)	Assurance	Final 13/08/2025	Limited	<p>Previously reported to Committee in July 2025, whilst at draft report. 001a PCC IA End of Year Report 24-25 Final July 2025.pdf</p> <p>Plymouth City Council's Garage Service maintains the Council's fleet and also offers MOTs and servicing to local businesses, the public, and council staff. While the service generated approximately £126k in commercial income in 2024/25, an internal audit found that the governance, risk management, and internal control frameworks are underdeveloped, providing only limited assurance.</p> <p>Significant key-risks were identified and focussed intervention is required to ensure management actions address these issue.</p>	Final	12	0	0	0
ASC Income - Joint Funded Care Packages (2024/25 IA Plan)	Assurance	Draft 17/07/2025	Limited	Joint funding decisions between Plymouth City Council and Devon ICB arise through three main routes: applications for health funding by social workers, Section 117 Mental Health Act assessments, and crisis situations due to health deterioration. As of Q2 2025/26, joint funding income is forecast at £7.55 million, though this is subject to change. However, the lack of a consistent and standardised process for identifying, authorising, and recording joint funding arrangements has led to operational inefficiencies and financial risks. Inconsistent practices across departments and service types have resulted in errors, miscommunication, and challenges in reconciling costs with	Draft	4	5	1	0

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions			
						H	M	L	O
				partner agencies. As the paying authority, the Council bears the financial burden in cases of dispute or delay.					
Children’s Independent Placements (2024/25 IA Plan) <i>Previously reported to Committee in July 2025. 001a PCC IA End of Year Report 24-25 Final July 2025.pdf</i>	Assurance	Draft 22/05/2025	Reasonable	<p>The Brokerage Team within Children, Young People and Families (CYPF) oversees independent placements, though its operations remain largely unchanged since transitioning from Strategic Commissioning. There is now an opportunity to expand and refine the team’s remit under new leadership, aligning placements more closely with children’s needs while ensuring value for money. Strong financial controls are in place, with authorised payments and regular budget monitoring supported by collaboration between Brokerage, CYPF managers, and Finance.</p> <p>However, the audit identified several operational risks. These include delays in placement authorisation and payment processes, underutilisation of the Eclipse system for financial documentation, and inconsistent use of finance forms, particularly for uplifts and placement endings. Additional concerns include inadequate due diligence during provider name changes, risking duplicate payments, and a lack of formal policy around payment increases.</p> <p>Addressing these issues through clearer policies, improved system use, and streamlined processes will be essential to reduce financial risk, improve data accuracy, and ensure effective placement management.</p>	Draft	1	9	0	1
CIPFA Financial Management Code 2025/26 (2024/25 IA Plan)	Assurance	Final 18/08/2025	Reasonable	<p>The CIPFA Financial Management Code (FM Code) sets out principles to support sound financial management and sustainability in local authorities. Plymouth City Council has engaged Devon Assurance Partnership to conduct its independent assessment, which concluded with Reasonable Assurance that the Council meets the standards expected for its size and responsibilities. Strong practice was identified in three of the 17 standards, with effective arrangements in place across a further ten.</p>	N/A for self-assessment purpose				

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Cyber Security - Governance (Risk Management) 2025-26	Assurance	Final 01/08/2025	Limited	<p>Effective IT and cyber risk management is essential to safeguarding the Council's operations, data, and reputation, yet current practices show significant gaps.</p> <p>Key issues include an outdated IT Risk Management Policy, lack of defined roles and responsibilities, limited reporting to senior leadership, and the absence of a formal IT/cyber risk register. These weaknesses hinder the Council's ability to understand and mitigate cyber threats.</p> <p>Establishing a dedicated risk register and aligning reporting with the corporate risk strategy would strengthen oversight and resilience, as highlighted by a recent external review.</p>	7	4	0	1	2
School Transport	Assurance	Draft 24/07/2025	Reasonable	<p>Plymouth City Council is experiencing significant budget pressures related to home-to-school transport, with increasing demand placing strain on service delivery and finances. This risk is recognised on the Organisational Risk Register and referenced in the 2025/26 Budget Report, with additional funding allocated to help mitigate the impact. The audit aimed to assess the governance, risk, and internal control framework supporting this service.</p> <p>The audit provided Reasonable Assurance, confirming that policies, processes, and financial controls are generally effective. However, eight medium-priority areas for improvement were identified, including outdated policy approvals, limited system utilisation, affordability concerns, inconsistent DBS checks, and gaps in performance reporting and business continuity planning. Addressing these issues will strengthen the Council's ability to manage risks and deliver value for money in this critical service area.</p>	Draft	0	8	6	3
Purchasing Card Compliance 2025-26	Assurance	Draft 26/06/2025	Reasonable	<p>Plymouth City Council's purchasing card system is generally operating effectively, with Reasonable Assurance provided. However, recurring issues were identified, including delayed transaction authorisation, incomplete mandatory e-learning, incorrect VAT coding, and poor receipt retention. A survey of 183 cardholders (157 responses) reinforced these findings,</p>	Draft	0	5	1	0

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				<p>highlighting non-compliance with training requirements, evidence upload issues, and occasional misuse such as card sharing and transaction splitting.</p> <p>Improved training oversight, clearer policy references, and receipt verification will strengthen compliance with the internal control framework.</p>					
PCC Single Homelessness Accommodation Programme (SHAP)	Grant Certification	Final 10/04/2025	Certified	In accordance with the Ministry of Housing, Communities and Local Government Single Homelessness Accommodation Programme 2024-2025 grant determination conditions No's. 31/7416, 31/7455, 31/7537, 31/7640 and 31/7642 we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, the conditions have been complied with. Grant funding of £2.450m was awarded to Plymouth City Council.	N/A Mandatory Grant Certification Audit				
PCC DFE Childcare Expansion Capital Grant 31/6960	Grant Certification	Final 13/06/2025	Certified	In accordance with the Secretary of State Education for Childcare Expansion Capital grant determination conditions No. 31/6960 we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, the conditions have been complied with. Grant funding of £435k was awarded to Plymouth City Council.	N/A Mandatory Grant Certification Audit				
PCC Local Net Zero Capacity Development Fund - Local Capacity Grant LCG12	Grant Certification	Final 08/07/2025	Certified	In accordance with the West of England Combined Authority, South West Net Zero Hub, Local Net Zero Capacity Development Fund, LCG12 conditions we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, the conditions have been complied with. Grant funding of £1.360m was awarded to Plymouth City Council.	N/A Mandatory Grant Certification Audit				
BEIS Home Upgrade Grant Phase 2 2023/24	Grant Certification	Draft 21/07/2025	Certified	In accordance with the Secretary of State for Business, Energy & Industrial Strategy Home Upgrade Grant Phase 2 Determination (2023/24) conditions we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, the conditions have	N/A Mandatory Grant Certification Audit				

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				been complied with. Grant funding of £20,379 was awarded to Plymouth City Council.					
Adult Social Care Governance 2025-26	Assurance	In Progress	-	<p>This audit will assess the effectiveness of governance arrangements in delivering Plymouth City Council's statutory Adult Social Care duties under the Care Act 2014 through the jointly commissioned Healthy Lives Contract. The review will focus on how governance structures, oversight mechanisms, performance monitoring, and risk management support safe, effective, and person-centred service delivery.</p> <p>It will examine the roles of key stakeholders, contract management practices, and alignment with statutory requirements, while excluding case-level reviews or provider financial audits. The audit aims to provide assurance that the Council's responsibilities are being met effectively, sustainably, and in partnership with the Integrated Care Board and NHS providers.</p>	Currently in progress				
Safety at Sports Grounds 2025-26	Assurance	In Progress	-	<p>This audit will assess Plymouth City Council's governance and control framework for managing its statutory responsibilities under the Safety of Sports Grounds Act 1975 and related legislation.</p> <p>The review, aligned with the Council's priority of keeping communities safe, will evaluate key areas including SAG governance, safety certification, monitoring, enforcement, training, and business continuity. It is being conducted in preparation for the next Sports Grounds Safety Authority (SGSA) audit in December 2025, following a positive outcome in 2023. The audit aims to provide assurance that appropriate controls are in place to safeguard public safety and uphold the Council's reputation.</p>	Currently in progress				
Budget Management 2025-26	Assurance	In Progress	-	This audit will assess the effectiveness of Plymouth City Council's budget management processes for 2025/26, focusing on governance, internal controls, financial risk management, and compliance with statutory and regulatory requirements. It will evaluate how budgets are planned,	Currently in progress				

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				<p>monitored, and adjusted, the clarity of roles and responsibilities, and the adequacy of scrutiny and decision-making.</p> <p>The review will also consider financial sustainability, risk mitigation, and alignment with corporate priorities, aiming to identify areas for improvement and promote best practice in budgetary control.</p>					
Income Collection 2025-26	Assurance	In Progress	-	<p>This audit will assess Plymouth City Council's income collection processes for fees and charges, focusing on governance, financial controls, compliance, and risk management. The review will evaluate how income is set, collected, monitored, and reported across statutory and discretionary streams, identifying vulnerabilities such as outdated systems, inconsistent fee setting, and debt recovery challenges.</p> <p>A risk and assurance framework has been developed to prioritise high-risk income areas for further scrutiny. The audit aims to ensure income collection is accurate, secure, legally compliant, and aligned with council objectives, while promoting resilience and continuous improvement.</p>	Currently in progress				
Regulators' Pioneer Fund 3	Grant Certification	In Progress	-	<p>This audit will assess Plymouth City Council's compliance with the grant conditions of the Regulators' Pioneer Fund Round 3, supporting the Maritime Regulatory Innovation Framework project. The project, which aims to develop a regulatory framework for testing autonomous and prototype vessels, is progressing under a multi-agency partnership and aligns with national innovation and clean maritime priorities. The review will focus on the Council's financial records and internal control arrangements as the accountable body, excluding partner organisations.</p>	Currently in progress				
UK Shared Prosperity Fund 2025/26	Grant Certification	In Progress	-	<p>An audit is currently underway to assess Plymouth City Council's compliance with the UK Shared Prosperity Fund Grant Determination 2022–23 (No. 50/DLU03AN221202).</p>	Currently in progress				

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				The review focuses on ensuring that grant funding has been used in accordance with the conditions set out by the Department for Levelling Up, Housing and Communities, including adherence to the Memorandum of Understanding and Section 50 of the United Kingdom Internal Market Act 2020. The audit will provide assurance on the Council's financial management, governance, and reporting arrangements, and identify any risks of non-compliance that could result in repayment or withholding of funds.					
Eclipse Project Phase 3 2025-26	Consultancy and Advice	In Progress	Advisory	To attend Eclipse Project Board, to provide advice and assurance as appropriate as the Eclipse Finance module is implemented.	N/A Consultancy and Advice				
Advice (All Directorate) 2025-26	Consultancy and Advice	In Progress	Advisory	Provision of ad hoc real time advice throughout 2025/26 to support governance, internal control, transformational change and/or associated risk mitigation, this has included: <ul style="list-style-type: none"> • Better Care Finance system implementation. • ASC debt management meetings. • ASC Business Support, domiciliary care batching. • Annual Governance Statement. • Warm Homes Local Grant delivery agreements. • Street lighting contract. • South West Devon Waste Partnership Board. • Commercial waste recycling claims. • Reserves policy. • Programme and project management. • Polygamous working. • Financial scenario planning. • Grant assurance risk assessment. 	N/A Consultancy and Advice				
Improvement and Assurance Framework 2025/26	Consultancy and Advice	In Progress	Advisory	We are supporting the development of a robust and forward-looking self-assessment model that aligns with the principles of the Local Government Association's Improvement and Assurance Framework (2024).	N/A Consultancy and Advice				

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				<p>This work involves close collaboration with officers and elected members to embed a culture of continuous assurance, triangulate evidence from diverse sources, and ensure that both qualitative and quantitative insights inform the Council's understanding of its performance and governance.</p> <p>The aim is to create a reflective, evidence-based process that enables early identification of risks and opportunities, helping the Council demonstrate to residents, partners, and regulators its commitment to proactive management, transparency, and delivering best value.</p>					
Grant Certification advice, planning and management 2025-26	Consultancy and Advice	In Progress	Advisory	Provision of ad hoc real time advice throughout 2024/25 to support grant funding, management and assurance.	N/A Consultancy and Advice				
IT / Cyber Security / AI Advice 2025-26	Consultancy and Advice	In Progress	Advisory	Attendance at Cyber Board and provision of real time input and advice to support the council in mitigating the risk of a successful Cyber-attack.	N/A Consultancy and Advice				
ASC Debt Management – Follow Up	Assurance	Not Started	-	Planned Q4	Not Started				
Better Care Finance	Assurance	Not Started	-	Planned Q3 although subject to change due to system implementation delays.	Not Started				
PCC Deprivation of Liberty Safeguarding	Assurance	Not Started	-	Planned Q3	Not Started				
Deputyships	Assurance	Not Started	-	Planned Q4	Not Started				
Direct Payments	Assurance	Not Started	-	Q4 although possibility of deferral due to changes within service.	Not Started				
Homelessness	Assurance	Not Started	-	Planned Q2	Not Started				
Housing Standards and Housing Solutions Systems and Data	Assurance	Not Started	-	Planned Q3	Not Started				
C&YP Finance Team	Assurance	Not Started	-	Planned Q3	Not Started				

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Connect to Work Programme	Assurance	Not Started	-	Planned Q3					
Legal Care proceedings Follow Up	Assurance	Not Started	-	Planned Q3					
Plymouth Children's Homes	Assurance	Not Started	-	Planned Q4					
School Effectiveness and School Improvement Offer	Assurance	Not Started	-	Planned Q3					
SEND Follow Up	Assurance	Not Started	-	Planned Q2					
Virtual School - including extended offer	Assurance	Not Started	-	Planned Q3					
Risk Management	Assurance	Not Started	-	Planned Q4					
Transparency in Decision Making	Assurance	Not Started	-	Planned Q4					
Commercial Waste	Assurance	Not Started	-	Planned Q4 although may be deferred due to system implementation delays.					
Tree Management Policy and Procedures	Assurance	Not Started	-	Planned Q4					
Bereavement Service "The Park" - Financial Management	Assurance	Not Started	-	Planned Q2					
Business Rates	Assurance	Not Started	-	Planned Q2					
Commercial Services	Assurance	Not Started	-	Planned Q2					
Corporate Establishment	Assurance	Not Started	-	Planned Q3					
Council Tax	Assurance	Not Started	-	Planned Q2					
Creditors	Assurance	Not Started	-	Planned Q2					

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Cyber Security - Access Controls (External Users)	Assurance	Not Started	-	Planned Q2					
Cyber Security - Vulnerability (Inc. Patching) Management	Assurance	Not Started	-	Planned Q3					
DBS and Overseas Workers Checks	Assurance	Not Started	-	Planned Q3					
Debtors (incl. debt mgt)	Assurance	Not Started	-	Planned Q4					
Facilities Management - Asset Management Plan	Assurance	Not Started	-	Planned Q4					
Fuel Cards Follow Up	Assurance	Not Started	-	Planned Q4					
Housing Benefits	Assurance	Not Started	-	Planned Q2					
Information Governance (Inc. Data Asset Mgt & follow up ICO Report)	Assurance	Not Started	-	Planned Q4					
Main Accounting System	Assurance	Not Started	-	Planned Q2					
Mitigation of fraud, corruption & collusion risk in contract awards inc. use of Directors Waivers	Assurance	Not Started	-	Planned Q3					
MTFS-Delivering savings & transformation plans	Assurance	Not Started	-	Planned Q4					
Payroll	Assurance	Not Started	-	Planned Q3					
People Plan - Work Force Strategy and succession planning	Assurance	Not Started	-	Planned Q4					

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions			
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Procurement Act	Assurance	Not Started	-	Planned Q3		Not Started			
Programme and Project Management	Assurance	Not Started	-	Planned Q4		Not Started			
Treasury Management	Assurance	Not Started	-	Planned Q3		Not Started			