



# Internal Audit Half Year Report 2025-26

## Plymouth City Council Audit & Governance Committee

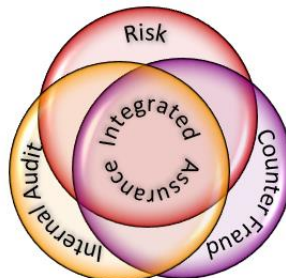
November 2025

Official

Tony Rose  
Head of Devon Assurance Partnership

Jo McCormick  
Deputy Head of Devon Assurance Partnership

Louise Clapton  
Audit Manager



## Introduction

This half-year report provides a position statement on the progress of internal audit work to date and outlines the emerging themes and assurance levels that will inform the annual internal audit opinion. The final opinion will be based on the outcomes of planned audit engagements, risk-based coverage, and the evaluation of the organisation's control environment over the full year.

The key objective of the Devon Assurance Partnership (DAP) is to support the Council and provide assurance on the adequacy, security and effectiveness of the systems and controls operating across the organisation.

The Internal Audit plan for 2025/26 was presented to, and approved by, the Audit and Governance Committee in March 2025. However, with the rapid pace of change in local government, we continue to liaise with the management to "flex and revise" the plan as appropriate to ensure that our work focusses on those areas which add most value to the Council in these challenging times.

In accordance with the Global Internal Audit Standards (GIAS), the Chief Audit Executive (Head of Internal Audit) is required to deliver an annual report that includes an overall opinion on the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes. This opinion serves as a key input into the organisation's governance disclosures, including the Annual Governance Statement.

## Expectations of the Audit and Governance Committee from this half year report

Members of the Audit and Governance Committee are requested to consider:

- The assurance position presented within this report, including progress toward the annual internal audit opinion.
- The delivery of audit work against the approved plan, including any in-year adjustments.
- The scope, capacity, and resourcing of the internal audit function to complete its planned work.
- The key audit findings and any significant issues or themes arising from completed engagements.
- The performance of the internal audit service.
- The proposed in-year changes to the audit plan, and whether these remain aligned to organisational risk and priorities.

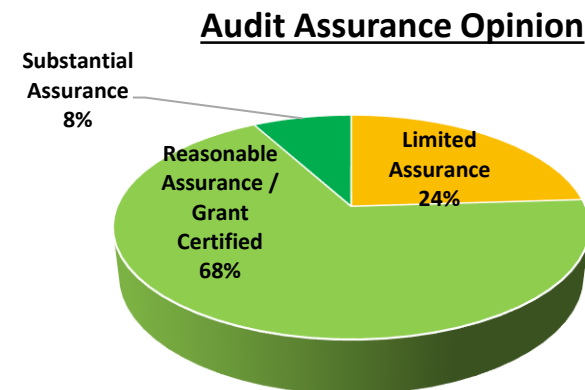
In reviewing the above, the Committee is expected to consider the assurance provided by internal audit alongside that of the Executive, Corporate Risk Management, and other external sources of assurance, including the External Auditor. This collective assurance should inform the Committee's view on the adequacy and effectiveness of the Council's internal control framework and its ability to mitigate risks and support sound governance.

## Opinion Statement

Overall, based on work performed to date during 2025/26 and our experience from the current year progress and previous years' audit, the Head of Internal Audit's mid-year assurance opinion is "Reasonable Assurance" on the adequacy and effectiveness of the Authority's internal control framework.

Work included in the 2025/26 audit plan includes assurance, risk, governance and advisory engagements which, together with prior years audit work, provide a framework and background within which we assess the Authority's control environment. Should any significant weaknesses be identified in specific areas, these would need to be considered by the Authority when preparing its Annual Governance Statement later in the year.

When undertaking reviews, we assess whether key, and other, controls are operating satisfactorily and that exposure to risk is minimised. An opinion on the adequacy of the control environment is provided to management as part of the audit report. All audit reports include an action plan detailing the management responses to be taken to address any risk and control issues identified during a review. Progress with the implementation of 'Limited Assurance' audit action plans are tracked by Internal Audit, the outcomes of the implementation of management actions at the end of Quarter two are presented to this Audit and Governance Committee in an accompanying report.



<b>Substantial Assurance</b>	A sound system of governance, risk management and control exists across the organisation, with internal controls operating effectively and being consistently applied to support the achievement of strategic and operational objectives.	<b>Limited Assurance</b>	Significant gaps, weaknesses or non-compliance were identified across the organisation. Improvement is required to the system of governance, risk management and control to effectively manage risks and ensure that strategic and operational objectives can be achieved.
<b>Reasonable Assurance</b>	<b>There are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of some of the strategic and operational objectives.</b>	<b>No Assurance</b>	Immediate action is required to address fundamental control gaps, weaknesses or issues of non-compliance identified across the organisation. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of strategic and operational objectives.

## Review of Audit Progress

Reasonable progress continues to be made in delivering the 2025/26 Internal Audit Plan. At the half-year point, 59% of planned work is either in progress or completed, with 76% of final reports providing Substantial or Reasonable Assurance (including certified grants). Several changes to the original plan have been agreed with management this is due to corporate/strategic improvement programmes currently in progress; to address findings of external reviews; and/or external reviews being undertaken in year and so it has not been appropriate or possible to undertake the audits as planned.

Whilst it is recognised that these areas may be ready to audit in Q4 the number of audits that we have been asked to schedule in Q4 exceeds the capacity available. Furthermore the strategic nature of these audits require higher level knowledge and experience and as a result we will need to roll these forward into 2026-27. This will be reviewed as part of 2026-27 audit planning to ensure that the council's risks are understood and audit needs remain appropriate.

Audits completed and in progress have taken longer than planned due to an increase in scope and/or the time taken to obtain information and explanations from the auditee.

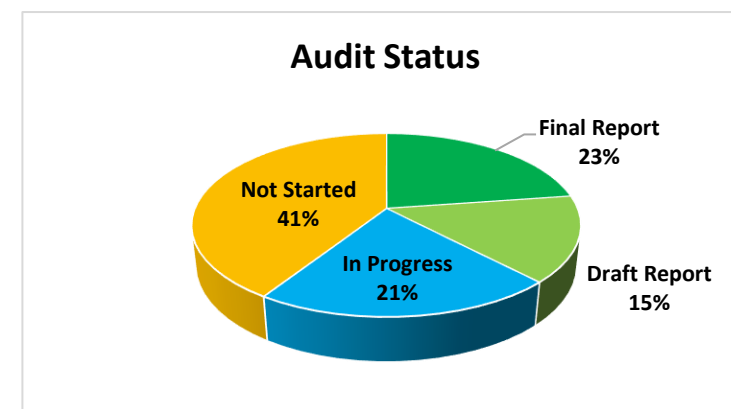
Audit resources will be allocated across the ongoing and planned work, full details of these changes are set out in the table in Appendix 1 and include:

- the replacement of the planned Commercial Waste audit with advisory input to the South West Devon Waste Partnership (SWDWP), following delays in the implementation of a new commercial waste system. Audit resource has been reallocated to SWDWP, with attendance at the Executive Board and a risk-based review planned to support future assurance needs.
- Deferral of several audits to 2026/27, including; Programme and Project Management, Direct Payments, Connect to Work Programme, MTFS – Delivering Savings and Transformation Plans, Plymouth Children's Homes and Fuel Cards Follow-Up. These deferrals are required due to ongoing developments, such as the implementation of new programme management arrangements or scheduling to ensure real value is delivered through the timing of the audit.

Assurance work has been completed with 15 final audit reports issued and 10 draft audit reports issued. It is taking longer to obtain management responses to audit findings and agree management actions, this can be difficult for complex areas such as Children's Independent Placements and ASC Joint Funding Arrangements which remain at draft stage having been issued in May 2025 and July 2025 respectively. Ideally we look to finalise reports with agreed management actions within 3 weeks. Ongoing delays in obtaining management responses require audit resources to be diverted to bring to conclusion.

Core assurance audits of key financial systems commenced in quarter two with draft audit reports issued for the Main Accounting, Business Rates and Council Tax with reasonable assurance opinions and Treasury Management issued with a substantial assurance opinion. Remaining key financial system audits are in progress and due to be completed in Q3.

We continue to work closely with management to ensure audit coverage remains aligned with organisational risk and priorities, and that assurance is delivered in a timely and responsive manner. A full list of audits and their current status is provided in Appendix 1.



## Fraud Prevention and Detection

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. The Cabinet Office runs a national data matching exercise, The National Fraud Initiative (NFI), every two years. The latest national data matching exercise is currently in progress and Devon Assurance Partnership continue to be the point of contact between the Cabinet Office and the Council for this mandatory biannual exercise in fraud prevention and detection. Data matches from the latest data matching exercise are being actioned by both PCC and DAP staff to provide maximum assurance and minimise potential fraud losses. Details of this and other fraud prevention and detection work undertaken in 2025/26 are reported in the Counter Fraud 2025/26 updates to the Committee.

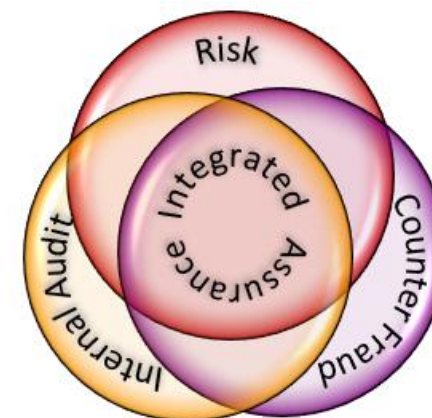
## Integrated Assurance

The collaboration between the Audit and Counter Fraud Teams continues with auditors attuned to fraud risks and investigators gaining insights into systems and controls. This integrated approach enhances our ability to identify, assess, and respond to organisational risks effectively.

This year has also seen a significant development in our integrated assurance model with the Devon Assurance Partnership (DAP) being formally engaged to support the delivery and further embedding of the Council's Risk Management Framework. DAP's experienced Risk Management Team is delivering a structured, three-phase programme to support risk management across the Council through:

- Strategic Engagement, working with the Senior Leadership Team to refine risk language, scoring methodologies, and mitigation strategies, while identifying and articulating key corporate risks.
- Operational Integration, collaborating with service areas to build risk awareness and capability, enabling staff to confidently identify, assess, and manage risks.
- Framework Development, enhancing the existing framework through the establishment of a Corporate Risk Management Group, development of operational risk registers, updated training materials, and engagement strategies to embed a risk-aware culture.

This integrated approach ensures that risk, audit, and counter fraud functions are aligned, reinforcing governance and assurance across all levels of the organisation.







## Partnership working with other auditors

We continue to develop and maintain effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We participate in a range of internal audit networks, both locally and nationally which provide for a beneficial exchange of information and practices with the aim of improving the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work.


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

## Appendix 1

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
IR35 Follow Up	Assurance	Final 03/06/2025	Limited	Previously reported to Committee in July 2025. The Off-Payroll Working Rules (IR35), updated in April 2021, require local authorities to determine the employment status of off-payroll workers and ensure appropriate tax deductions are made. While the Council has adopted measures such as using the HMRC CEST tool and implementing structured recruitment processes to mitigate non-compliance risks, a recent follow-up audit found only limited progress on actions agreed in the March 2022 Internal Audit report. Of seven recommendations, only two have been fully implemented, with three high-risk items still outstanding the risk of non-compliance therefore remains. However, work is ongoing to strengthen processes and training to support compliance with employment and tax regulations.	5	3	2	0	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Debtors	Assurance	Final 01/07/2025	Limited	Previously reported to Committee in July 2025. The Council uses the Civica Financials Debtors System to manage billing and debt recovery, allowing for automation from invoice generation to collection. While in-year collection of sundry debt improved in 2024/25, reaching 96.3% and surpassing the 95% target, overall outstanding and aged debt has increased. Positive steps have been taken, such as engaging external collection agencies, clarifying invoice expectations, prioritising high-value debts, and finalising the write-off procedure.  Some weaknesses remain in the internal control framework; however, management is actively addressing these through targeted actions to	8	1	6	0	1
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				improve communication, compliance, record-keeping, and policy updates that support effective debt management.					
Cyber Security - Governance (Risk Management) 2025-26	Assurance	Final 01/08/2025	Limited	<p><b>Previously reported to Committee in September 2025</b>, whilst at draft report. 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
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Garage Commercial Financial Management 2025-26	Assurance	Final 13/08/2025	Limited	<p><b>Previously reported to Committee in July 2025</b>, whilst at draft report. 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. Key-risks were identified and focussed intervention is required to ensure management actions address these issue.</p>	12	12	0	0	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									





Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
<b>CIPFA Financial Management Code 2025</b>	Assurance	Final 18/08/2025	Reasonable	<b>Previously reported to Committee in September 2025.</b> 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.		N/A for self-assessment purpose			
<b>Budget Management 2025-26</b>	Assurance	Final 10/10/2025	Reasonable	This audit of Plymouth City Council's budget management arrangements concluded with a Reasonable Assurance opinion. The Council has established a generally sound governance framework for budget planning, monitoring, and reporting, underpinned by Financial Regulations and strategic alignment with the Medium-Term Financial Plan. Budget holders and finance staff are actively engaged in financial oversight, and statutory requirements are being met. The audit identified several areas for improvement, including inconsistent training for budget holders, outdated supplementary guidance, gaps in financial risk escalation, and non-compliance with virement approval protocols. Addressing these findings will support more robust financial control, improve consistency across services, and help the Council maintain confidence in its financial sustainability during a period of ongoing fiscal pressure.	7	0	4	2	1
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
<b>Safety at Sports Grounds 2025-26</b>	Assurance	Final 08/10/2025	Substantial	This audit provided Substantial Assurance over the governance and control arrangements supporting the Council's responsibilities for safety at sports grounds. The Safety Advisory Group (SAG) operates effectively and is largely	11	0	5	5	1






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						H	M	L	O
				compliant with statutory duties and Sports Grounds Safety Authority (SGSA) expectations. Improvements have been made since the last SGSA audit, with further enhancements recommended in areas such as business continuity planning, inspection documentation, and formalisation of governance processes. These actions will strengthen oversight and ensure continued alignment with best practice and regulatory standards.		No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
<b>PCC Single Homelessness Accommodation Programme (SHAP)</b>	Grant Certification	Final 10/04/2025	<b>Certified</b>	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			
<b>PCC DFE Childcare Expansion Capital Grant 31/6960</b>	Grant Certification	Final 13/06/2025	<b>Certified</b>	In accordance with the Secretary of State for Education's 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			
<b>PCC Local Net Zero Capacity Development Fund - Local Capacity Grant LCG12</b>	Grant Certification	Final 08/07/2025	<b>Certified</b>	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			

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<b>BEIS Home Upgrade Grant Phase 2 2023/24</b>	Grant Certification	Final 14/08/2025	<b>Certified</b>	In accordance with the Secretary of State for Business, Energy & Industrial Strategy's 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 been complied with. Grant funding of £20,379 was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
<b>Regulators Pioneer Fund 3</b>	Grant Certification	Final 30/07/2025	<b>Certified</b>	In accordance with the Science, Innovation and Technology Regulators' Pioneer Fund 3 grant determination we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, confirmed the conditions have been complied with. Grant funding of £916,922 was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
<b>Transforming Cities Fund – Tranche 2</b>	Grant Certification	Final 31/07/2025	<b>Certified</b>	In accordance with the DFT Transforming Cities Fund: Tranche 2 Grant Determination 2019-20 No. 31/4042 we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, confirmed the conditions have been complied with. Grant funding of £51.264m was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
<b>PCC UK Shared Prosperity Fund</b>	Grant Certification	Final 14/08/2025	<b>Certified</b>	In accordance with the Secretary of State for Levelling up, Housing and Communities UK Shared Prosperity Fund 2022-2025 grant determination conditions we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, confirmed the conditions have been complied with. Grant funding of £3.131m was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
<b>DFT Local Transport Capital Block Grant</b>	Grant Certification	Final 29/09/2025	<b>Certified</b>	In accordance with: <ul style="list-style-type: none"> <li>• DFT Integrated Transport Block</li> <li>• DFT Highways Maintenance Needs Element</li> </ul>		N/A Mandatory Grant Certification Audit			

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				<ul style="list-style-type: none"> <li>DFT Highways Maintenance Incentive Element 2023/24</li> <li>DFT Highways Maintenance Additional Element</li> </ul> grant conditions we undertook the annual audits of the statements of grant usage. Grant funding of £5.228m was awarded to Plymouth City Council for 2024/25.					
ASC Income - Joint Funded Care Packages	Assurance	Draft 17/07/2025	Limited	<p>Joint funding arrangements between Plymouth City Council and Devon ICB are currently managed through multiple pathways, leading to inconsistent practices and challenges in financial reconciliation.</p> <p>The absence of standardised procedures and governance has resulted in fragmented decision-making, unclear protocols, and no formal mechanism for resolving disputes. These issues increase the risk of financial errors and miscommunication, particularly as PCC acts as the paying authority and must recover costs from partner organisations. We concluded that the current governance, risk management, and internal control arrangements provide only Limited Assurance.</p>	10	4	5	1	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Income Collection	Assurance	Draft 07/08/2025	Limited	This internal audit reviewed Plymouth City Council's arrangements for income collection, focusing on governance, policy, operational controls, and risk management. The audit concluded with a Limited Assurance opinion, reflecting several areas where improvement is needed to strengthen oversight and support financial sustainability. While foundational structures such as Financial Regulations and annual fee reviews are in place, there are a number of areas where focussed improvement are needed to reduce gaps in visibility,	9	6	3	0	0

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				<p>accountability, and compliance. Action to be taken include updating key policies, improving reporting of actual income performance, enhancing controls around payment methods and introducing a RACI framework for income-related roles.</p> <p>A risk-based assessment of income streams was undertaken, supported by tools such as the Income Collection Heat Map and Risk Log, which management is encouraged to adopt for ongoing monitoring.</p>					
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Children's Independent Placements	Assurance	Draft 22/05/2025	Reasonable	<p><b>Previously reported to Committee in July 2025</b>, at draft report stage. 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.</p> <p>The audit confirmed that strong financial controls are in place, supported by collaborative working between Brokerage, CYPF managers, and Finance. However, operational risks were identified that may impact the efficiency and accuracy of placement management. These include process delays, inconsistent documentation practices, and underutilisation of available systems. A Limited Assurance opinion was issued, with recommendations aimed at improving policy clarity, system usage, and process consistency to reduce financial risk and enhance data reliability.</p>	11	1	9	0	1
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									

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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>This audit provided Reasonable Assurance, confirming that policies, processes, and financial controls are generally effective. However, several areas for improvement were identified that may impact operational efficiency, compliance, and resilience. Strengthening governance, system utilisation, and performance oversight will support more robust risk management and help ensure value for money in service delivery.</p>	17	0	8	6	3
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Purchasing Card Compliance 2025-26	Assurance	Draft 26/06/2025	Reasonable	<p>Our audit provided Reasonable Assurance, confirming that Plymouth City Council's purchasing card arrangements are broadly effective and supported by sound financial controls and governance. The system offers appropriate segregation of duties and facilitates oversight of transactions. While the overall framework is operating well, the audit identified areas for improvement in compliance practices, including receipt retention, VAT coding, and timely transaction authorisation. These improvements will help ensure continued accountability, reduce financial risk, and support the Council's commitment to spending public money wisely.</p>	6	0	5	1	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance

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Adult Social Care Governance 2025-26	Assurance	Draft 27/08/2025	Reasonable	This audit provided Reasonable Assurance that Plymouth City Council's governance arrangements for Adult Social Care are generally sound and aligned with statutory duties under the Care Act 2014. Strategic intent and integrated partnership working are evident, supported by established oversight structures. However, areas for improvement were identified in governance documentation, commissioning arrangements, performance monitoring, and stakeholder engagement. Strengthening these elements will enhance transparency, accountability, and service sustainability.	4	1	3	0	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Main Accounting System 2025-26	Assurance	Draft 24/09/2025	Reasonable	This audit provided Reasonable Assurance over the governance and control environment supporting Plymouth City Council's Main Accounting System. Core financial processes, including journal processing, reconciliations, and system access controls, are generally effective and support accurate financial reporting. However, several areas for improvement remain, particularly around documentation standards, user access governance, and the implementation of previously agreed actions. Strengthening these controls will enhance financial oversight, reduce risk exposure, and support the Council's financial sustainability.	9	0	6	3	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Business Rates 2025-26	Assurance	Draft 30/09/2025	Reasonable	This audit provided Reasonable Assurance over the governance and control arrangements for the administration of Business Rates. Core processes such as billing, income reconciliation, and debt recovery are generally well-managed and compliant with statutory requirements. However, improvements in the timeliness of data updates, documentation of reconciliations, and consistency in arrears reporting would enhance financial accuracy, accountability, and	4	2	0	2	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									

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Council Tax 2025-26	Assurance	Draft 22/09/2025	Reasonable	the Council's ability to maximise revenue collection in line with its financial objectives. This audit of Plymouth City Council's Council Tax arrangements concluded with a Reasonable Assurance opinion. The Council continues to demonstrate sound financial management and operational control in key areas. Suggested improvements to strengthen governance and ensure consistency with published procedures will help improve transparency, reduce financial risk, and ensure fair and effective Council Tax collection practices aligned with statutory and policy expectations.	9				
						1	6	2	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Treasury Management	Assurance	Draft 09/09/2025	Substantial	This audit provided Substantial Assurance over the governance, risk management, and control arrangements supporting Treasury Management. The Council has established a robust framework for managing cashflow, borrowing, and investments, with effective oversight, clear delegation, and sound operational practices. Minor areas for improvement were identified, including the need to strengthen risk register coverage and update business continuity planning. Addressing these will further enhance resilience and assurance in this critical financial function.	6				
						0	2	4	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
SEND Follow Up	Assurance	In Progress	-	To provide an assurance opinion on the adequacy and effectiveness of the governance, risk management, and internal control arrangements supporting SEND Governance, Decision Making, Commissioning and Contracting and Monitoring and Evaluation following a period of management action to address findings made in internal audit reports issued in 2023 that provided only Limited Assurance opinions.		Currently in progress.			



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<b>Virtual School - including extended offer</b>	Assurance	In Progress	-	<p>To provide an assurance opinion on the adequacy and effectiveness of the governance, risk management, and internal control arrangements supporting the delivery of the Plymouth Virtual School.</p> <p>Specific objectives are to assess whether:</p> <ul style="list-style-type: none"> <li>The governance structure is clear, accountable, and effective.</li> <li>Strategic objectives align with statutory responsibilities and are adequately monitored.</li> <li>Risks are identified, assessed, and managed appropriately.</li> <li>Data quality, performance monitoring, and reporting are effective.</li> <li>Funding is used appropriately, and financial controls are in place.</li> <li>Roles and responsibilities are clearly defined and adhered to.</li> </ul>		Currently in progress.			
<b>School Effectiveness and School Improvement Offer</b>	Assurance	In Progress	-	<p>To provide an assurance opinion on the adequacy and effectiveness of the governance, risk management, and internal control arrangements supporting School Effectiveness and School Improvement Offer. The scope of the audit will consider:</p> <ul style="list-style-type: none"> <li>Governance arrangements, including roles of elected members, senior leadership and school improvement officers.</li> <li>Risk management and planning processes for the School Effectiveness and Improvement Plan (SEIP).</li> <li>Mechanisms for engagement with schools, early years and other stakeholders.</li> </ul>		Currently in progress.			

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				<ul style="list-style-type: none"> <li>Monitoring and reporting arrangements, including use of performance indicators and outcomes data.</li> <li>Financial management and resource allocation processes.</li> <li>Compliance with relevant statutory responsibilities (e.g. Ofsted expectations, DfE guidance).</li> </ul> <p>The audit will cover the current SEIP cycle and relevant activities over the past 12–18 months.</p>					
<b>Mitigation of fraud, corruption &amp; collusion risk in contract awards -use of Directors Waivers</b>	Assurance	In Progress	-	<p>To provide assurance that the use of waivers within procurement and contracts is in accordance with public sector procurement legislation and Council policy. The audit objectives will assess if:</p> <ul style="list-style-type: none"> <li>Waivers are issued in accordance with public sector procurement legislation and Council policy;</li> <li>Non-compliance with Council policy is identified, highlighted and necessary actions undertaken if required;</li> <li>Where waivers are granted a robust governance process has been followed;</li> <li>Where high levels of non-compliance exist within the Council and where the highest levels of waivers are to be found.</li> </ul>		Currently in progress.			
<b>Bereavement Service "The Park" - Financial Management</b>	Assurance	In Progress	-	<p>To provide assurance on the effectiveness of The Parks financial management arrangement to ensure service financial resilience and sustainability by:</p> <ul style="list-style-type: none"> <li>Assessing the robustness of financial management within Bereavement Services, including budget setting, income forecasting, cost control, and financial reporting.</li> </ul>		Currently in progress.			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				<ul style="list-style-type: none"> <li>Reviewing governance arrangements, including oversight, decision-making, and alignment with corporate priorities.</li> <li>Assessing the adequacy of internal controls, including income collection, IT systems and data protection.</li> <li>Reviewing risk management practices, including identification, mitigation, and escalation of key risks affecting the service.</li> </ul>					
<b>Housing Benefits 2025-26</b>	Assurance	In Progress	-	<p>To provide assurance on the adequacy and effectiveness of the internal control framework for the administration of Housing Benefits. The scope of the audit will consider:</p> <ul style="list-style-type: none"> <li>Input accuracy and timeliness of Housing Benefit and Council Tax Support assessments, with sample testing to include claims with occupational pensions.</li> <li>Exception report/data error checking.</li> <li>Overpayment identification and recovery processes.</li> <li>Pro-active fraud prevention and identification.</li> <li>Reconciliation between the Revenue and Benefits system and the Main Accounting System.</li> <li>Follow up on last year's audit observations/recommendations.</li> <li>Assessment of system administration and user management controls.</li> </ul>		Currently in progress.			
<b>Creditors 2025-26</b>	Assurance	In Progress	-	<p>To provide assurance on the effectiveness of the wider creditor payment system by conducting walkthrough testing of key controls that underpin the processing of payments, as well as an in depth focus on the adequacy and effectiveness of the council's arrangements for</p>		Currently in progress.			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions			
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				the management, control, and use of bulk uploads and petty cash.					
<b>Cyber Security - Access Controls (External Users) 2025-26</b>	Assurance	In Progress	-	<p>The objective of this review is to provide assurance on the effectiveness of the internal control framework for controlling digital access of external users to the PCC network, applications and data.</p> <p>The scope of this audit will include the following:</p> <ul style="list-style-type: none"> <li>Establishing the types of external users that are provided access to the Council's network,</li> <li>Establishing the oversight and governance arrangements for external user access,</li> <li>Establishing the user lifecycle management processes for external users (i.e., establishing the process and controls that govern the approval, creation, and management of external user accounts),</li> <li>Reviewing the monitoring and audit logging held / reviewed relevant to external user activity.</li> </ul>		Currently in progress.			
<b>Cyber Security - Vulnerability (Inc. Patching) Management 2025-26</b>	Assurance	In Progress	-	<p>The objective of this audit is to provide assurance that, vulnerabilities (regarding out of date software/applications) are known and where available patches/updates are applied in a timely manner, and that known vulnerabilities that cannot be updated/patched do not represent an unacceptable risk to the Council's corporate network, systems and it's information assets.</p> <p>The scope of audit work will include reviewing the following areas:</p>		Currently in progress.			

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				<ul style="list-style-type: none"><li>Governance &amp; oversight (i.e., vulnerability / patch management strategy, policies, roles &amp; responsibilities, reporting and risk ownership),</li><li>Technical controls (i.e., identification, classification, testing, and deployment of security patches across both servers and end-points),</li><li>Asset Management (i.e., accuracy, completeness, and use of the IT asset system to support patching activities),</li><li>Vulnerability identification (i.e., how vulnerabilities are detected, prioritised, and tracked),</li><li>Patch Management processes (i.e., scheduling, testing, deployment, exceptions, and rollback procedures),</li><li>Third-party risk (i.e., establishing how PCC gain assurance over supplier patching practices where reliance is placed on external vendors or managed services),</li><li>Compliance &amp; monitoring (i.e., reviewing performance metrics, and escalation of overdue or critical patches).</li></ul>					
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"><li>Nolan Principle Training</li><li>Better Care Finance system implementation.</li></ul>	N/A Consultancy and Advice				

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				<ul style="list-style-type: none"> <li>• ASC debt management meetings.</li> <li>• ASC Business Support, domiciliary care batching.</li> <li>• Annual Governance Statement.</li> <li>• Warm Homes Local Grant delivery agreements.</li> <li>• Street lighting contract.</li> <li>• South West Devon Waste Partnership Board.</li> <li>• Commercial waste recycling claims.</li> <li>• Reserves policy.</li> <li>• Programme and project management.</li> <li>• Polygamous working.</li> <li>• Financial scenario planning.</li> <li>• Grant assurance risk assessment.</li> </ul>					
<b>Improvement and Assurance Framework 2025/26</b>	Consultancy and Advice	In Progress	<b>Advisory</b>	<p>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).</p> <p>Work is ongoing to triangulate evidence from diverse sources, and ensure that both qualitative and quantitative insights inform the Council's understanding of its performance and governance. This is currently being pulled together with a front end dashboard to be developed. Questionnaires have been developed to enable Senior Leadership Team members to self-reflect, this will feed into the Improvement and Assurance model and support the AGS preparation process.</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</p>		N/A Consultancy and Advice			

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				regulators its commitment to proactive management, transparency, and delivering best value.					
<b>Grant Certification advice, planning and management 2025-26</b>	Consultancy and Advice	In Progress	<b>Advisory</b>	Provision of ad hoc real time advice throughout 2024/25 to support grant funding, management and assurance.		N/A Consultancy and Advice			
<b>IT / Cyber Security / AI Advice 2025-26</b>	Consultancy and Advice	In Progress	<b>Advisory</b>	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			
<b>Risk Management</b>	Consultancy and Advice	In Progress	<b>Advisory</b>	Revised risk management arrangements continue to be developed in response to Risk Management 2024/25 IA report, with management actions agreed and the report finalised in September 2025. Anticipated target date for completion is June 2026. There would be limited value from an internal audit this year, our opinion will therefore take into account the management action taken to address audit findings and the real-time development of risk management arrangements.		N/A Consultancy and Advice			
<b>Better Care Finance</b>	Assurance	Not Started	-	Planned Q3.		Not Started			
<b>ASC Debt Management – Follow Up</b>	Assurance	Not Started	-	Planned Q4		Not Started			
<b>Homelessness</b>	Assurance	Not Started	-	Delayed due to Peer Review rescheduled for Q4.		Not Started			
<b>PCC Deprivation of Liberty Safeguarding</b>	Assurance	Not Started	-	TBC		Not Started			
<b>Deputyships</b>	Assurance	Not Started	-	TBC		Not Started			



Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
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Adult Brokerage 2025-26	Assurance	Not Started	-	TBC		Not Started			
Housing Standards and Housing Solutions Systems and Data	Assurance	Not Started	-	TBC		Not Started			
C&YP Finance Team	Assurance	Not Started	-	Planned Q3		Not Started			
Legal Care proceedings Follow Up	Assurance	Not Started	-	Planned Q3		Not Started			
South West Devon Waste Partnership (SWDWP) Commercial Waste	Consultancy and Advice Assurance	Not Started	-	<b>Change:</b> In consultation with the Head of Commercial Waste it was agreed that an audit would not be of value this year as the anticipated implementation of a new commercial waste system has been delayed and is unlikely to be implemented until 2026-27. Audit resource will be allocated to SWDWP following consultation with the SWDWP Contract Manager as audit input would be appreciated, this will include attendance at SWDWP Executive Board and a risk based review to develop a plan to meet the partnerships audit need requirements going forward. Planned Q3.		Not Started			
Payroll	Assurance	Not Started	-	Planned Q3		Not Started			
DBS and Overseas Workers Checks	Assurance	Not Started	-	Planned Q3		Not Started			
Corporate Establishment	Assurance	Not Started	-	Planned Q3		Not Started			
Procurement Act	Assurance	Not Started	-	Planned Q3		Not Started			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
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Tree Management Policy and Procedures	Assurance	Not Started	-	Planned Q4		Not Started			
Transparency in Decision Making	Assurance	Not Started	-	Planned Q4– this is reliant on delivery of the PCC work currently underway.		Not Started			
Debtors (including debt management)	Assurance	Not Started	-	Planned Q4		Not Started			
Facilities Management - Asset Management Plan	Assurance	Not Started	-	Planned Q4 – this is reliant on delivery of the PCC work currently underway.		Not Started			
Information Governance	Assurance	Not Started	-	Planned Q4 – to include Data Asset Management and follow up of ICO Report.		Not Started			
People Plan - Work Force Strategy and succession planning	Assurance	Not Started	-	Planned Q4 – this is reliant on delivery of the PCC work currently underway.		Not Started			
Programme and Project Management	Assurance	Deferred to 2026-27	-	In consultation with the Service Director for Finance it was agreed that the appropriate time to conduct this audit would be following the implementation of the new Programme / Project Management Office arrangements, developed during the 2025-26 financial year in response to the Armada Way Review, therefore this audit will be rolled forward into quarter one of 2026-27.		Defer to 2026-27 Q1			
Direct Payments	Assurance	Deferred to 2026-27	-	In consultation with Strategic Director for People and Head of ASC and Retained Functions it was agreed that the appropriate time to conduct this audit would be following the transfer in of Direct Payment administration into PCC, therefore this		Defer to 2026-27 Q1			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
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				audit will be rolled forward into quarter one of 2026-27 .					
<b>Connect to Work Programme</b>	Assurance	Deferred to 2026-27	-	The Connect to Work and Get Working Plan went to Cabinet in October 2025, it is therefore considered that audit coverage this year will not be of value as it will be too early. In consultation with the Strategic Director for Children's Services it was agreed that this would be deferred and considered as part of 2026-27 audit planning.		Defer to 2026-27			
<b>MTFS-Delivering savings &amp; transformation plans</b>	Assurance	Deferred to 2026-27	-	In consultation with the Service Director for Finance it was agreed that the appropriate time to conduct this audit would be following completion of the latest budget setting process, therefore this audit will be rolled forward into quarter one of 2026-27.		Defer to 2026-27 Q1			
<b>Plymouth Children's Homes</b>	Assurance	Deferred to 2026-27	-	In consultation with the Strategic Director of Children's Services it was agreed that there would be limited value from an audit this year and will be considered as part of 2026-27 audit planning.		Defer to 2026-27			
<b>Fuel Cards Follow Up</b>	Assurance	Deferred to 2026-27	-	In consultation with the Service Director for Finance it was agreed that the appropriate time to conduct this audit would be once management action has been completed. Progress to implement management action will continue to be tracked and report to Committee with a follow up audit undertaken on completion, this audit will be considered as part of 2026-27 audit planning.		Defer to 2026-27			
<b>Commercial Services</b>	Assurance	Deferred to 2026-27	-	To be considered as part of ongoing audit planning. Audit work carried out under Commercialisation and Income Collection provides sufficient coverage this year.		No further work to be undertaken in year, to be considered as part of audit planning for 2026-27.			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions			
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				Following management response commercial services will be included in ongoing audit plans.					

## Devon Assurance Partnership

The Devon Assurance Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, North Devon, Torridge, South Hams, West Devon councils and Devon and Somerset Fire and Rescue and the Devon and Torbay Combined County Authority. We aim to be recognised as a high-quality assurance service provider in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

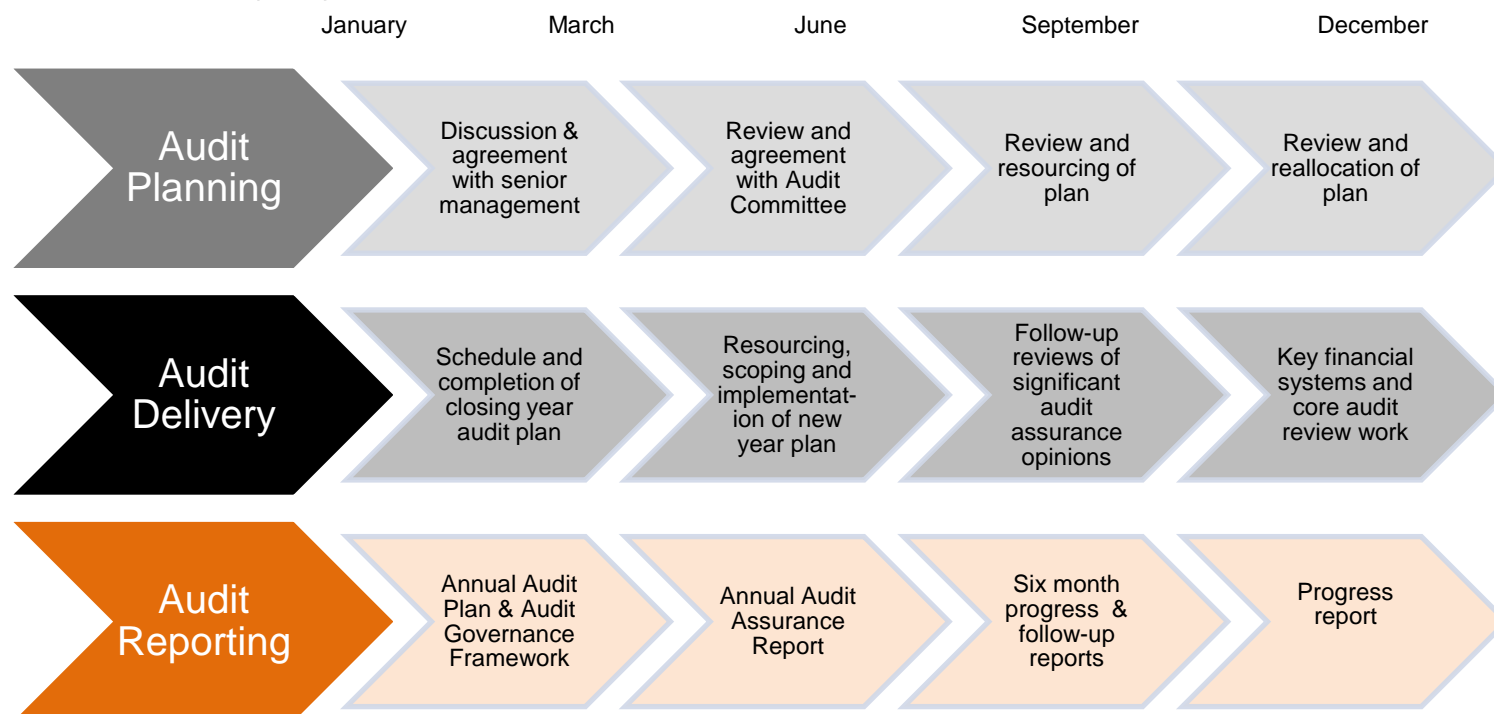
The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at [tony.d.rose@devon.gov.uk](mailto:tony.d.rose@devon.gov.uk).

## Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

## Audit Delivery Cycle



### PSIAS / GIAS Conformance - Devon

Assurance Partnership (DAP) continues to conform to the requirements of the Public Sector Internal Audit Standards (PSIAS) for its internal audit activity. The purpose, authority, and responsibility of the Internal Audit function are defined in our Internal Audit Charter, which remains consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The Charter was approved by senior management and the Audit Committee in March 2025.

On 1st April 2025, the new Global Internal Audit Standards (GIAS) came into force. These revised standards, issued by the Institute of Internal Auditors (IIA), represent a significant evolution in the global framework for internal auditing, with a stronger emphasis on governance, risk management, and performance improvement. In response, during 2025/26, DAP will undertake a comprehensive gap analysis of its existing internal audit processes against the new GIAS requirements. This exercise will identify areas where enhancements are needed to ensure full compliance with the revised standards.

It is anticipated that achieving full conformance with the new standards will require actions from both DAP and its partners, particularly in relation to revised governance arrangements, stakeholder engagement, and the broader assurance environment. This proactive approach ensures that the internal audit function continues to deliver high-quality, professional, and standards-compliant assurance services across all partner organisations.

[IIA Document – Draft Standards.](#)