



Internal Audit Progress and Performance Update

October 2025

1. Introduction

- 1.1 The Internal Audit service for East Cambridgeshire District Council provides 210 days to deliver the 2025/26 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 2025/26 Audit Plan

- 2.1 The Internal Audit service has a target to deliver at least 90% to draft report stage by 31st March, which remains on track. Progress on individual assignments is shown in Table 1.

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

- 2.2 To date, one survey response has been received in relation to feedback on completed assignments for the 2025/26 audit plan. This is summarised on page 9.

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:

Disaster recovery

This internal audit was conducted to provide assurance over East Cambridgeshire District Council's disaster recovery arrangements, focusing on the Council's ability to restore critical systems and data in the event of an unplanned outage, incident, or cyber-attack.

The scope of the audit covered the adequacy and effectiveness of disaster recovery controls and processes. This included the review of Business Impact Analyses (BIAs), identification of critical systems and supporting IT infrastructure, the existence and integration of Incident Management Plans (IMPs), supplier contact management, and the approval and accessibility of the Disaster Recovery Plan (DRP). The audit also examined recovery time objectives, backup and restoration practices, governance structures, and communication protocols. Testing was carried out through document reviews, interviews, and sampling of key disaster recovery components and BIAs.

The audit found that the Council has established a strong foundation for disaster recovery, with good assurance provided across most areas. BIAs were up to date and comprehensive, and the DRP was found to be current, approved, and distributed appropriately. The IMP was in place and integrated with other key plans, although it

lacked detailed recovery procedures. A secure and complete supplier contact list was maintained. The Council conducts annual disaster recovery testing, but the audit identified a need for a more formal post-test review process to document lessons learned and track improvements. As a result, two recommendations were made: to formally document the approval process for the DRP and IMP, and to implement a structured post-testing review process.

Roles and responsibilities were clearly defined in both the DRP and IMP, with appropriate escalation and communication protocols in place. Backup procedures followed best practices, including offsite replication and regular integrity testing. Out-of-hours support was provided internally by the ICT team, with contact details documented and tested. Governance and risk reporting processes were found to be effective, though currently informal.

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

Assurance Opinion	
Control Environment	Good (Green)
Compliance	Good (Green)
Organisational Impact	Low (Green)

Information requests

The objective of the audit was to assess the adequacy and effectiveness of the Council's arrangements for managing Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests. This area was selected for review due to its statutory importance, the reputational and compliance risks associated with non-compliance with the Freedom of Information Act 2000 (FOIA) and Environmental Information Regulations 2004, and the need to ensure transparency and accountability in the Council's handling of public information

The audit sought to provide assurance over the design and operation of controls in place for processing, recording, and responding to information requests. The review focused on the consistency and timeliness of request handling, the application and justification of exemptions and exceptions, the accuracy and completeness of performance reporting, the escalation and review processes for complex or overdue requests, compliance of the Council's Publication Scheme, and internal review and complaints handling procedures. Testing included a review of sample information requests, performance reports and internal procedures.

The Council has a well-established framework for managing FOI requests, supported by a central logging system, standard operating procedures (SOP), and experienced staff. However, the decentralised handling of EIR requests across multiple departments has led to inconsistencies in process and reporting. Whilst FOI requests are generally well-managed, the lack of standardisation and reporting for EIR requests has

resulted in significant under-reporting. This affects the accuracy of published statistics and the reliability of the Annual Information Governance Report. The Council demonstrates strong practices in FOI handling, including timely responses, structured review processes, and effective use of exemptions and exceptions.

The Information Officer's expertise and proactive engagement with departments are notable strengths, underpinned by a culture of accountability, collaboration, and continuous improvement. Four medium-priority recommendations have been made to address the findings. These focus on standardising EIR processes and reporting, updating the information requests SOP to include escalation guidance, and publishing a compliant Publication Scheme in line with the Information Commissioner's Office (ICO) model. If implemented, these actions will strengthen the Council's information governance arrangements and support continued compliance with statutory obligations.

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)

Asset management

The Council has a duty to ensure that land and property assets under its control comply with relevant statutory and regulatory standards, which include a wide range of health and safety responsibilities. To meet these obligations, the Council must ensure that regular checks and inspections are carried out, and that control measures are in place and recorded to ensure compliance. This audit sought assurance over the asset management processes for corporate properties and the management of leased assets.

In summary, the audit found that there is an approved Corporate Asset Management Plan for 2025/26, though some information in the document is out of date and should be reviewed. Roles and responsibilities for asset management are clearly defined and regular reports are presented to the Finance and Assets Committee to ensure oversight. Introducing quantitative performance measures on statutory and regulatory compliance would further improve monitoring.

The Corporate Asset Management Plan states that a comprehensive asset management database was being finalised. However, during the audit it was established that work on the database had stalled following changes in personnel. As a result, information relating to assets currently remains held in several different locations. Testing also found some inconsistencies in the information published in the Council's asset register. Officers should reassess use of the database and resume development of the system if possible. This would also assist with harmonising data and ensure that there is a clear understanding of the Council's estate.

There is a planned maintenance programme with an approved budget to improve the condition of assets. The programme should be informed by regular condition surveys, however officers acknowledged that the last surveys completed are outdated and a regular cycle of surveys has not taken place in recent years. These should be renewed to ensure that there is a clear understanding of the condition of the Council's assets and associated maintenance costs expected.

Testing of a sample of operational properties found that electrical, gas, lift, and water safety inspection surveys and tests were up to date and compliant with regulations. Officers should ensure that overdue re-inspections in relation to asbestos and fire safety are completed promptly. Similarly, testing of a sample of tenanted properties found that the premises were generally compliant with statutory requirements, with obligations for tenants to maintain properties in good, clean and tidy conditions clearly documented in lease and licence agreements. Responsibility for the testing of firefighting equipment at traveller sites should be clarified to ensure that there is appropriate compliance with statutory duties.

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

Assurance Opinion	
Control Environment	Moderate (Amber)
Compliance	Good (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, five 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 – which is more than three months overdue. This relates to the need to undertake a review of the procedures to improve the drafting of contract documents in a timely manner and, therefore, the accuracy of the Contracts Register, with management oversight of completion of such requests.

Table 1 - Progress against 2025/26 Internal Audit Plan

						Assurance Opinion			
Assignment		Planned start	Status		Assurance sought	Control Environment	Compliance	Org impact	Comments
Key financial systems									
Bank reconciliations		Q4	Not started						
Payroll		Q3	Not started						
Accounts payable		Q4	Not started						
Accounts receivable		Q4	Not started						
Key policy compliance									
Information requests		Q2	Final report issued		To provide assurance over the timely and compliant handling of Freedom of Information (Fol) and Environmental Information Requests (EIRs).	Good (Green)	Moderate (Amber)	Low (Green)	See section 2.3
Procurement compliance		Q4	Planning						
Risk based audits									
Asset management		Q1	Final report issued		To provide assurance over asset management processes, including both compliance regimes for corporate properties and management of leased assets.	Moderate (Amber)	Good (Green)	Low (Green)	See section 2.3
Disaster recovery		Q1	Final report issued		To provide assurance over the Council's disaster recovery arrangements to support restoration of systems in the case of an unplanned outage or incident	Good (Green)	Good (Green)	Low (Green)	See section 2.3

						Assurance Opinion			
Assignment		Planned start	Status		Assurance sought	Control Environment	Compliance	Org impact	Comments
Major project – Bereavement Centre		Q3	Planning						
Staff engagement and support		Q3	Planning						
Governance of the trading companies		Q3	Not started						
Net Zero		Q3	Not started						
Preparedness for changes in waste regulations		Q3	Not started						
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	1	100%	-	-	4	100%	5	83%
Actions overdue by less than three months	-	-	-	-	-	-	-	-
Actions overdue by more than three months	-	-	1	100%	-	-	1	17%
Totals	1	100%	1	100%	4	100%	6	100%

Customer Satisfaction

At the completion of each assignment, the Auditor issues a Customer Satisfaction Questionnaire to each client with whom there was a significant engagement during the assignment. The Head of Service and the Line Manager receive a CSQ for all assignments within their areas of responsibility. The standard CSQ asks for the client's opinion in relation to the assignment. The responses received during the year to date are set out below.

Question	Excellent	Good	Fair	Poor
Quality - How would you rate the overall quality of the internal audit conducted?	1			
Communication - How effective was the communication from the audit team throughout the audit process?	1			

Question	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Communication - Audit findings and recommendations were clearly explained and documented.	1				
Professionalism - The audit team was professional and courteous in their interactions with you.	1				
Value - The audit provided valuable insights and recommendations that will help improve your processes.		1			

Question	Yes	No
Quality - Were the audit objectives and scope clearly defined and communicated?	1	
Communication - Did the audit team keep you informed of the audit progress and any issues encountered?	1	

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.