







Exeter City Council

Report of Internal Audit Activity

Progress Report – Quarter 2 2025/26

Internal Audit –Quarter 2 2025/26: ‘At a Glance’

The Headlines

	Reviews completed in the period <ul style="list-style-type: none"> 25/26 – one report finalised
	Progress to date <ul style="list-style-type: none"> 36% of the plan is complete or in progress. Three initial meetings are scheduled for November and we remain on track to deliver the plan agreed.
	High Organisational Risk <ul style="list-style-type: none"> None reported in the period
	Action plan monitoring <ul style="list-style-type: none"> The council has 96 active agreed actions, 30 are overdue. A further 24 have been self assessed as complete and 43 closed in the year.
	Plan changes in the period The following audits have been deferred in the period: <ul style="list-style-type: none"> Risk Management Medium Term Financial Planning Social housing decarbonisation grant Action tracking has identified that a follow-up of the limited assurance council tax arrears audit is able to be scheduled and this review has been added to the plan.
	Enhancements made to our internal audit process throughout the year A monitoring system for actions agreed within audit reports is now operational. Automatic reminders are now being issued monthly to alert managers of actions overdue and close to being overdue.

Internal Audit Assurance Work 2025/26

	Q2	YTD
Substantial	0	0
Reasonable	0	1
Limited	1	3
No Assurance	0	0
Follow-up	0	0
Grants	0	0
Advisory & Other	0	0
Total	3	3

Internal Audit Agreed Actions 2025/26

	Q2	YTD
Priority 1	0	4
Priority 2	3	10
Priority 3	6	23
Total	9	37

Summary

As part of our rolling plan reports, we will detail progress against the approved plan and any updates in scope and coverage.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating significant risks previously identified through audit activity.

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Introduction

The Audit and Governance Committee approved the 2025/26 Internal Audit Plan in March 2025. This report sets out our progress against that plan. **Appendix E** summarises our progress and includes new audits that we have added to the plan.

Each completed assignment includes its respective assurance opinion rating together with the number and relative ranking of actions we have agreed with management.

We have applied the assurance opinion ratings in accordance with the SWAP Audit Framework Definitions detailed in **Appendix A**.

To assist the Committee in its important monitoring and scrutiny role, **Appendix B** summarises our key findings from No and Limited assurance opinion audits.

A follow-up review is performed in respect of all limited assurance opinion audits where there is assessed to be a medium or high organisational risk. This provides further assurance, in addition to our action tracking, that recommendations have been implemented to reduce areas of risk identified. No follow-up reviews were completed in the period.

It is important that the council implements agreed actions to address the control weaknesses set out in our reports. To give the Audit and Governance Committee a level of assurance that this is happening, we conduct regular action tracking of all agreed actions. The council's current position is summarised in **Appendix D**.

In circumstances where findings have been identified which are considered to represent high corporate risks to the Council, due to their importance, these issues are separately summarised. No significant corporate risks were reported in the period.

Internal Audit Progress Update

Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation's risk profile effectively.

The internal audit plan agreed is based on our risk-based approach to help ensure that resources are focused where internal audit can offer the most value and insight. A key source of information is the Council's strategic risk register.



Internal Audit Plan coverage of strategic risks

This table maps our completed and planned audits against the council's strategic risks. As the year builds and more work is completed, coverage across key risk areas will increase. "Planned Coverage" includes audits that have not yet concluded or have not been started. Where a strategic risk is not linked to a specific audit, it may still be covered through the action tracking process (see **Appendix D**).

No	Strategic Risk	Risk Score	Completed Coverage	Planned Coverage
1	Delivering the key challenges in the Net Zero Carbon City section of the Corporate Plan	High		Planning - biodiversity net gain
2	Making progress towards a Healthy and Active City	Medium		Leisure Services
3	Adapting the council workforce to ensure appropriate skills and experience (future proof workforce)	Medium		Health and Safety at work
4	Maintaining the Financial Stability of the Council	Medium	Payroll – self service	Medium term financial plan, fraud risk assessment, debt management, creditors follow-up
5	Maintaining the Council's Property and Infrastructure Assets	High		Health & Safety of property portfolio, maintenance & capital programme of works follow-up
6	Delivering Housing and Building Great Neighbourhoods and Communities	High	Community safety/anti social behaviour	Private sector housing, social housing decarbonisation grant, housing rents and arrears, CIL governance follow-up
7	Maintaining a thriving Culture & Heritage Sector	Low		
8	Delivering against the key challenges in the 'Prosperous Local Economy' section of the Corporate Plan	Medium		Waste management
9	Progressing the design and delivery of a corporate Customer & Digital Strategy	Medium	Information governance	Largely covered by Strata and audited by DAP

Internal Audit Progress Update

We regularly monitor the council's implementation of agreed management actions.



SWAP Monitoring

Action Tracking

It is important that the council implements agreed actions to address the issues set out in our reports. To give the Audit and Governance Committee a level of assurance that this is happening, we conduct regular action tracking. We recognise that it can take longer to implement actions than planned, and sometimes target timescales need changing. The council's current position is summarised in **Appendix D**.

The council has 96 active agreed actions, 30 of which are overdue. A further 24 have been self assessed as complete and 43 closed in total in the year. A summary of the status of open actions by audit is provided **at Appendix D**.

To give further assurance on whether the council has completed the actions agreed, we conduct follow-up audits for all higher risk work. Follow-up audits currently planned can be found within **Appendix E**. Further follow-ups will be scheduled once our monitoring work indicates that all actions relating to an audit have been completed.

Internal Audit Progress Update

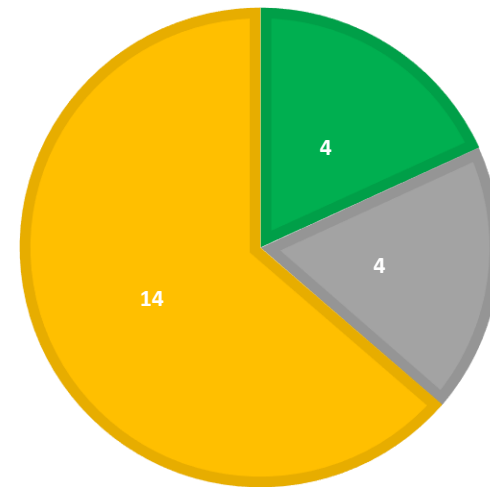
We need adequate audit coverage to provide our annual opinion.



Year to Date Progress

2025/26 PLAN PROGRESS

■ Complete ■ In progress ■ Not started



36% of the plan has now been completed or is in progress.

Appendix A: SWAP Audit Framework and Definitions

Audit Assurance Definitions

No	The review identified fundamental gaps, weaknesses, or non-compliance, which require immediate action. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.
Substantial	The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Organisational Risk Assessment Definitions

Assessment	Organisational Risk & Reporting Implications
High	Our audit work includes areas that we consider have a high organisational risk and potential significant impact. Both senior management and the Audit Committee should consider key audit conclusions and resulting outcomes.
Medium	Our audit work includes areas that we consider have a medium organisational risk and potential impact. The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.
Low	Our audit work includes areas that we consider have a medium organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

Categorisation of Actions

In addition to the organisational risk assessment it is important to know how important the individual management actions are. Each action has been given a priority rating with the following definitions:

Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Appendix C: Follow-up Reviews

Community Safety and Antisocial Behaviour – Final Report – September 2025



Audit Objective

To provide assurance that the council is addressing community safety, antisocial behaviour and is operating within its statutory powers.

Executive Summary



Assurance Opinion

The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives.

Management Actions

Priority 1	0
Priority 2	3
Priority 3	6
Total	9

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

We believe the key audit conclusions and any resulting outcomes still merit attention, but could be addressed by service management in their area of responsibility.

Key Conclusions



The council does not have a Community Safety Team Policy that covers the work undertaken by the Community Safety team and the powers available to them to tackle antisocial behaviour. This absence may create ambiguity regarding the officers' authority and the application of available powers to address antisocial behaviour effectively within the PSPO area.



Some of the subgroups do not clearly align with the priorities of the Safer Exeter Community Safety Partnership. This misalignment may result in inefficient resource allocation and reduced effectiveness in addressing key community safety objectives. In addition, not all of the terms of reference for the subgroups clearly set out their objectives and scope.



The council does not have a data sharing agreement with the other parties within the Safer Exeter Community Safety Partnership, or with other internal services. This creates a risk of non-compliance with data protection regulations and inconsistencies in the handling, sharing, and safeguarding of sensitive information among the involved parties.



Officers within the community safety team are not consistently completing all fields in the daily occurrence book, which serves as a critical record of antisocial behaviour and an evidence source for police use. In addition, its current format lacks standardisation and consistency.



The council has provided, or facilitated, suitable training and guidance for the community safety officers to enable them to effectively carry out their responsibilities. The community safety officers make effective use of their CSAS powers to tackle antisocial behaviour.

Audit Scope

We focused the audit review on the activities undertaken by the community safety team, the records kept of the daily activities undertaken within the city centre in response to antisocial behaviour, and the enforcement powers available to the team. The scope also included both internal and external partnership working arrangements to tackle antisocial behaviour.

We conducted a survey with the four community safety officers to confirm that the officers have a reasonable understanding of their role, as well as the agreed processes and enforcement actions they can take in response to antisocial behaviour.

Our work was limited to the activities undertaken within the Safer Exeter Community Safety Partnership to tackle antisocial behaviour and did not include those undertaken as part of the wider Safer Devon Community Safety Partnership.

Rationale for Low Organisational Risk Assessment

While the audit has resulted in a limited assurance opinion, the overall organisational risk has been assessed as low due to the nature and scope of the issues identified. The findings primarily relate to operational inefficiencies, documentation gaps, and governance improvements rather than systemic failures or high-impact risks.

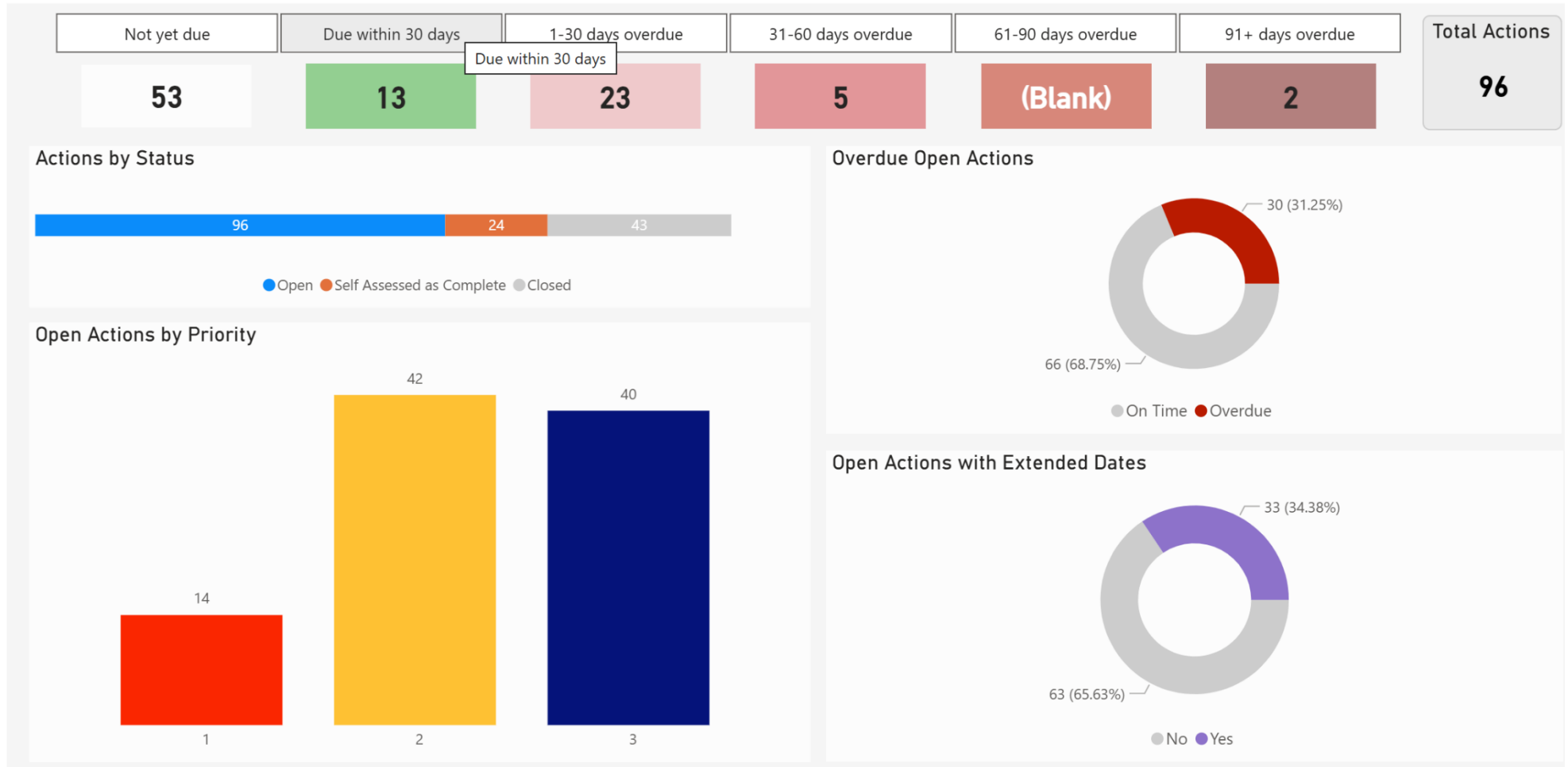
Appendix C: Follow-up Reviews

There were no follow-up reviews completed in the period.

Appendix D: Monitoring of Agreed Actions

Open Management Actions

Includes all open/self assessed as complete actions and actions closed since 1st April 2025



Appendix D: Monitoring of Agreed Actions

Status of Open Actions

Name of Audit with Open Actions	Opinion	Year	Open Actions		Self Assessed as Complete	Closed	Total
			On Time	Overdue			
Procurement	Limited	2024/25	6				6
Creditors - Payments	Limited	2024/25	1		4	2	7
Maintenance & Capital Programme of Works	Limited	2024/25	2	3	1	1	7
Housing Benefit Subsidy	Reasonable	2024/25	1			1	2
Council Tax Arrears Recovery	Limited	2024/25	1		2	1	4
Sundry Debtors	Advisory	2024/25	2		4	2	8
Waterways	Reasonable	2024/25	0	2		4	6
Housing - Temporary Accommodation	Limited	2024/25	8	1	3	1	13
CIL Governance	Limited	2024/25	0	7			7
Communications Strategy	Limited	2024/25	0	7	1	2	10
Payroll - Employee Self-Service	Limited	2024/25	12				12
Corporate Governance - Action Tracking	Limited	2023/24	0		4	6	10
Sundry Debtors (23/24) - Raising Invoices	Limited	2024/25	2			3	5
HRA - Repairs and Maintenance	Limited	2024/25	0	3	3		6
S106 Governance	Limited	2024/25	6	3			9
Occupational Health Services	Limited	2024/25	3		1	13	17
Ethical Governance	Reasonable	2025/26	8				8
Emergency Planning	Limited	2025/26	0		1		1
Community Safety and Anti-Social Behaviour (ASB)	Limited	2025/26	9				9
Information Governance	Limited	2025/26	5	4			9
		Total	66	30	24	36	156

Appendix E: Summary of Internal Audit Work

Audit Type	Audit	Status	Assurance Opinion	Total Actions	1 = Major	↔	3 = Medium	Organisational Risk
					Recommendation			
					1	2	3	
Complete								
Assurance	Payroll – Self Service (24/25 audit completed in 25/26)	Final	Limited	12	0	3	9	Low
Assurance	Information Governance	Final	Limited	9	4	3	2	Medium
Assurance	Ethical Governance	Final	Reasonable	7	0	1	6	Low
Assurance	Community Safety/Anti Social Behaviour	Final	Limited	9	0	3	6	Low
Draft								
Assurance	Emergency Planning	Draft						
In Progress								
Assurance	Planning – Biodiversity net gain	In progress						
Follow-up	NEW Council Tax Arrears	In progress						
Assurance	Leisure Services	Scoping						
Not Started								
Assurance	Private Sector Housing	Not Started	Initial Meeting 5/11/2025					
Assurance	Contract Register	Not Started	Initial Meeting 11/11/2025					
Assurance	NEW Health and Safety at Work (deferred from 24/25)	Not Started	Initial Meeting 18/11/2025					
Assurance	Fraud Risk Assessment	Not Started						
Assurance	Housing Rents & Arrears	Not Started						

Appendix E: Summary of Internal Audit Work

Audit Type	Audit	Status	Assurance Opinion	Total Actions	1 = Major	↔	3 = Medium	Organisational Risk
					Recommendation			
					1	2	3	
Assurance	Debt Management	Not Started						
Assurance	Waste Management	Not Started						
Assurance	NEW Fraud Baseline Assessment (deferred from 24/25)	Not Started						
Assurance	Health & Safety of Property Portfolio (including housing)	Not Started	Request to move from Q2 to Q4					
Follow-up	Corporate Governance	Not Started						
Follow-up	Maintenance & Capital Programme of Works	Not Started						
Follow-up	CIL Governance	Not Started						
Follow-up	Creditors	Not Started						
Deferred								
Follow-up	Fraud Baseline Assessment	Deferred	Deferred to 26/27 as full audit deferred to 25/26					
Assurance	Social Housing Decarbonisation Grant	Deferred	Deferred as audit requirement is Q1 26/27					
Assurance	Risk Management	Deferred	Request to defer to 26/27 as update to approach remains ongoing					
Assurance	Medium Term Financial Plan	Deferred	Deferred to 26/27 as looked at by Grant Thornton as part of Value for Money work					