

Exeter City Council

Report of Internal Audit Activity

Progress Report – March 2025/26

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

The Headlines

	<p>Reviews completed in the period</p> <ul style="list-style-type: none"> • Three assurance audits completed • Two grants certified
	<p>Progress to date</p> <ul style="list-style-type: none"> • All of the plan is at least in progress, with 43% now complete. Delivery will continue through April and May.
	<p>High Organisational Risk</p> <ul style="list-style-type: none"> • None reported in the period
	<p>Action plan monitoring</p> <ul style="list-style-type: none"> • The council has 77 active agreed actions, 6 are overdue. A further 26 have been self assessed as complete and 73 completed and closed in the year.
	<p>Plan changes in the period</p> <p>The following audits have been deferred in the period:</p> <ul style="list-style-type: none"> • Leisure Services – due to overlap with work of consultants • Waste Management – replaced with housing compliance audit • Health & Safety Property Portfolio – moved to Q1 26/27 • CIL governance follow-up – more time needed to complete all actions agreed
	<p>Enhancements made to our internal audit process throughout the year</p> <p>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.</p>

Internal Audit Assurance Work 2025/26

	Q3	YTD
Substantial	1	1
Reasonable	1	2
Limited	1	4
No Assurance	0	0
Follow-up	0	0
Grants	2	2
Advisory & Other	0	0
Total	5	9

Internal Audit Agreed Actions 2025/26

	Q3	YTD
Priority 1	0	4
Priority 2	8	18
Priority 3	6	29
Total	14	51

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.

The contacts at SWAP in connection with this report are:

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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	Biodiversity net gain, social housing decarbonisation grant	
2	Making progress towards a Healthy and Active City	Medium		
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	Housing rents & arrears, fraud baseline assessment. Follow-ups: debt management, creditors, Council Tax arrears.
5	Maintaining the Council's Property and Infrastructure Assets	High		Housing Compliance
6	Delivering Housing and Building Great Neighbourhoods and Communities	High	Community safety/anti social behaviour	Private sector housing
7	Maintaining a thriving Culture & Heritage Sector	Low	MEND fund grant certification	Museum renewal fund grant certification
8	Delivering against the key challenges in the 'Prosperous Local Economy' section of the Corporate Plan	Medium		
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 77 active agreed actions, 6 of which are overdue. A further 26 have been self assessed as complete and 73 closed in total in the year. A summary of the status of open actions by audit is provided **at Appendix D**.

As can be seen from the table below progress has been made since the last meeting:

Action Status	March 2026	November 2025
Actions not due	71	66
Actions Overdue	6	30
Actions self assessed as complete	26	24
Actions closed	73	43

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

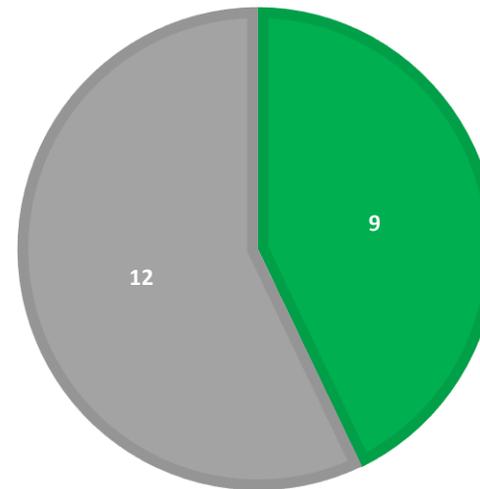
We need adequate audit coverage to provide our annual opinion.



Year to Date Progress

2025/26 PLAN PROGRESS

■ Complete ■ In progress ■ Not started



All of the plan is at least in progress, 43% is now complete.

Internal Audit Progress Update

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 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.

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 B: Limited Assurance Reviews

Emergency Planning – Final Report – December 2025



Audit Objective

To provide assurance that the emergency plans approved and adopted, cover the requirements of the Civil Contingency Act 2004 and other relevant legislation to meet the needs of the county in the event of a civil emergency.

Executive Summary

	Assurance Opinion	Management Actions	Organisational Risk Assessment	Medium
	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	Priority 1	0	Our audit work includes areas that we consider have a medium organisational risk and potential impact.
		Priority 2	7	
		Priority 3	0	The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level.
		Total	7	

Key Conclusions

	The Emergency Response and Recovery Plans are outdated. Both plans are not concise or user-friendly, lack version control and a formal change control process.
	Directors and Heads of Service, newly appointed as Emergency Duty Officers, have received minimal training and limited exposure to real emergencies or exercises. Specialist roles like Emergency Support Officers (Loggists) have not received full training.
	The council has not conducted a formal test of the City Centre Evacuation Plan to assess its effectiveness in managing emergency scenarios.
	Emergency planning responsibilities currently fall to the Head of Environment and Waste, potentially limiting focus and effectiveness.
	The emergency contact list was outdated and did not reflect the new emergency duty officer structure. The Head of Environment and Waste updated the contact list during the course of the audit review.

Audit Scope

We reviewed the risk that a failure to adequately plan for emergencies could lead to a major service failure.

To do this we assessed the controls set out under Appendix A, below.

We conducted a survey with all directors and heads of service to assess the effectiveness of the emergency planning processes and ascertain their competence and confidence in the event of an emergency.

We received 11 responses from the 19 members of staff contacted (58%). The results of the survey have been shared separately with the Head of Environment and Waste.

Areas of Good Practice

- The council collaborates with the Devon Emergency Planning Partnership (DEPP) and the Local Resilience Forum (LRF) to assess emergency risks within their area of responsibility.
- Effective public communication strategies are in place to raise awareness about emergency risks. The council also provides timely warnings and advice during emergencies.
- Risk registers are reviewed regularly and updated annually to form the Community Risk Register. These assessments incorporate national risk register data and comply with the Civil Contingencies Act 2004 (section 2.1a and b).

Appendix C: Follow-up Reviews

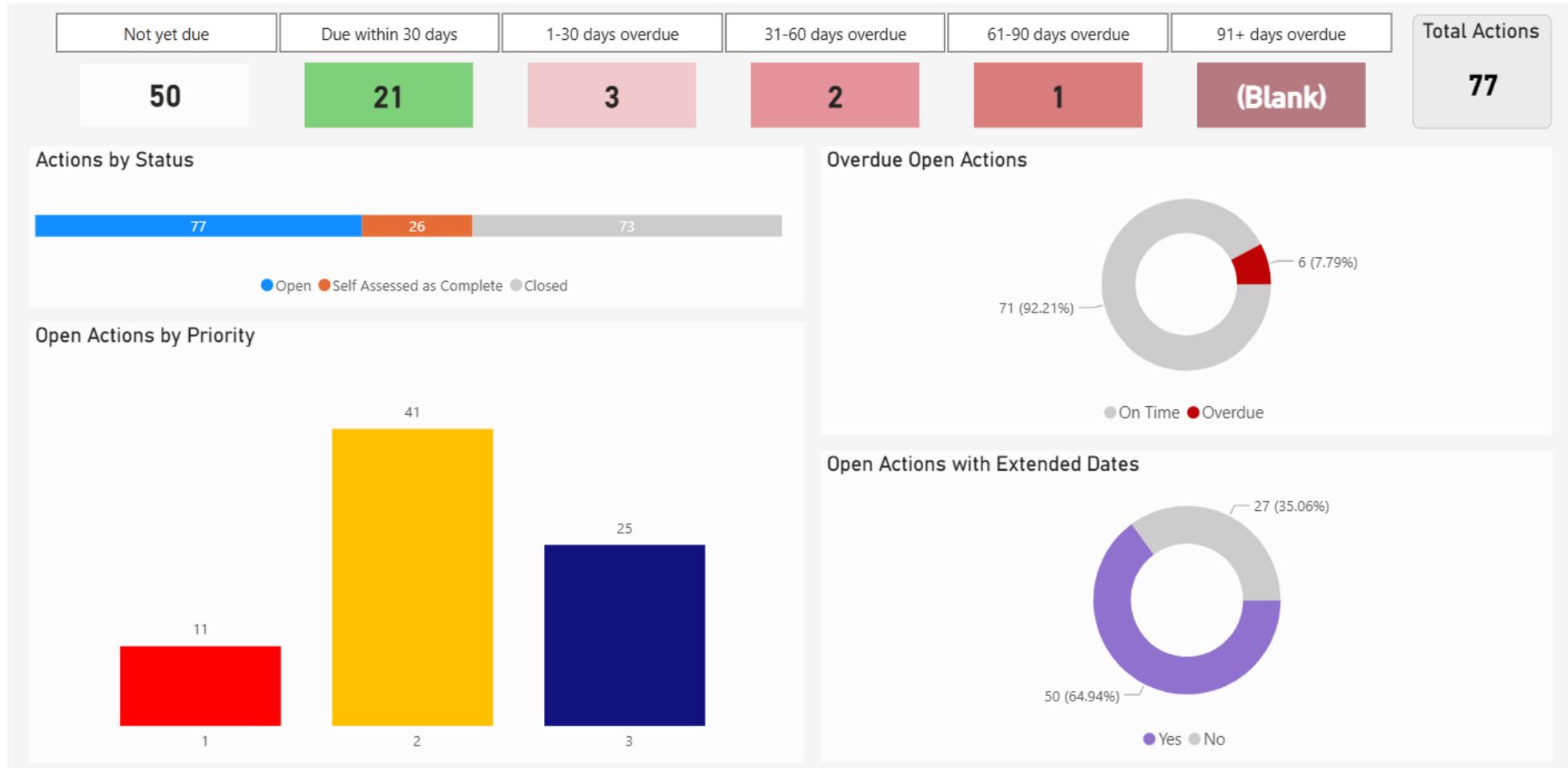
There were no follow-up reviews completed in the period.

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	4		2		6
Creditors - Payments	Limited	2024/25	5			2	7
Maintenance & Capital Programme of Works	Limited	2024/25	4		2	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	1		4	3	8
Waterways	Reasonable	2024/25		1		5	6
Housing - Temporary Accommodation	Limited	2024/25	3		6	4	13
CIL Governance	Limited	2024/25	7				7
Communications Strategy	Limited	2024/25	6		1	3	10
Payroll - Employee Self-Service	Limited	2024/25		2		10	12
Corporate Governance - Action Tracking	Limited	2023/24			2	7	9
Sundry Debtors (23/24) - Raising Invoices	Limited	2024/25	2			3	5
HRA - Repairs and Maintenance	Limited	2024/25	2		4		6
S106 Governance	Limited	2024/25	8	1			9
Occupational Health Services	Limited	2024/25			1	16	17
Ethical Governance	Reasonable	2025/26	7			2	9
Emergency Planning	Limited	2025/26	6			1	7
Community Safety and Anti-Social Behaviour (ASB)	Limited	2025/26	2	2		5	9
Biodiversity Net Gain	Reasonable	2025/26	6				6
Information Governance	Limited	2025/26	6		2	1	9
		Total	71	6	26	65	168

Appendix E: Summary of Internal Audit Work

Audit Type	Audit	Status	Assurance Opinion	Total Actions	1 =	↔	3 =	Organisational Risk
					Major		Medium	
					Recommendation			
Complete								
Assurance	NEW Payroll – Self Service (24/25 audit work performed 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
Assurance	Social Housing Decarbonisation Grant	Final	Certified					Low
Assurance	NEW Arts Council England MEND fund - Royal Albert Memorial Museum Grant Certification	Final	Certified					Low
Assurance	Contract Register	Final	Substantial	1	0	0	1	Low
Assurance	Planning – Biodiversity net gain	Final	Reasonable	6	0	1	5	Low
Assurance	Emergency Planning	Final	Limited	7	0	7	0	Medium
In Progress								
Assurance	Housing Rents & Arrears	In progress						
Assurance	NEW Fraud Baseline Assessment (deferred from 24/25)	In progress						
Assurance	NEW Arts Council England – Museum Renewal Fund Grant Certification	In progress						
Assurance	NEW Health and Safety at Work (deferred from 24/25)	In progress						
Assurance	NEW HRA Housing Compliance	In progress						

Appendix E: Summary of Internal Audit Work

Audit Type	Audit	Status	Assurance Opinion	Total Actions	1 =	↔	3 =	Organisational Risk
					Major		Medium	
					Recommendation			
					1	2	3	
Advisory	Private Sector Housing	In progress						
Follow-up	Debt Management	In progress						
Follow-up	NEW Council Tax Arrears	In progress						
Follow-up	Creditors	In progress						
Follow-up	Corporate Governance	In progress						
Follow-up	NEW Occupational Health	In progress						
Advisory	Fraud advice and support including confidential reporting	In progress						
Deferred								
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					
Assurance	Leisure Services	Deferred	Deferred as overlap with work of Consultants					
Assurance	Waste Management	Deferred	Deferred to 26/27 and replaced with HRA Housing compliance					
Assurance	Fraud Risk Assessment	Deferred	Deferred as Fraud Baseline Assessment remains ongoing					
Assurance	Health & Safety of Property Portfolio (including housing)	Deferred	Deferred to Q1 26/27					
Follow-up	Fraud Baseline Assessment	Deferred	Deferred to 26/27 as full audit deferred to 25/26					
Follow-up	Maintenance & Capital Programme of Works	Deferred	Deferred to 26/27 in line with implementation of agreed actions					

Appendix E: Summary of Internal Audit Work

Audit Type	Audit	Status	Assurance Opinion	Total Actions	1 =	↔	3 =	Organisational Risk	
					Major		Medium		
					Recommendation				
					1	2	3		
Follow-up	CIL Governance	Deferred	Deferred to 26/27 in line with implementation of agreed actions						