

Chelmsford City Council

Audit & Risk Committee

28<sup>th</sup> January 2026

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## Internal Audit Interim Report 2025/26

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Report by:

Audit Services Manager

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Officer Contact:

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### Purpose

This report summarises the current status of Internal Audit work. A full detailed update will be provided in the Internal Audit Annual Report.

### Recommendations

Committee are requested to note the contents of this report.

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### 1. Introduction

- 1.1. The audit plan for 2025/26 was approved by Audit and Risk Committee in March 2025.
- 1.2. Current resourcing is as follows:
  - 1.0 FTE – Audit Services Manager
  - 1.5 FTE – Senior Auditor
- 1.3. We are on track to complete the audit plan by end of March 2026, taking into consideration any high priority/urgent pieces of work which require accommodation, as discussed and agreed with management.

## 2. Conclusion

2.1. The Internal Audit Interim Report 2025/26 is attached for Audit & Risk Committee to note.

List of appendices: Internal Audit Interim Report 2025/26

Background papers: None

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### Corporate Implications

Legal/Constitutional: The Council has a duty to maintain an effective internal provision to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance (Regulation 5 (Part 1) of the Accounts and Audit Regulations 2015).

Financial: None

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: The scope of Internal Audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit & Risk Committee, management and outside parties (e.g. External Audit) on the adequacy and effectiveness of governance, risk management, and control process for Chelmsford City Council.

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

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Consultees: Noted by Management Team January 2026

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Relevant Policies and Strategies: None

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## Internal Audit 2025/26 Interim Report

This report summarises the current status of Internal Audit work. A full detailed update will be provided in the Internal Audit Annual Report.

Audit Title	Status
Community Sports & Wellbeing	<b>Substantial Assurance.</b> One low priority finding identified.
Markets	<b>Substantial Assurance.</b> One low priority finding identified.
Information Governance	<b>Draft Report Stage.</b> Review of the ongoing arrangements for managing the Council's Information Governance risks.
Budgetary Control	<b>Draft Report Stage.</b> Review of the Council's governance arrangements for budgetary control and service financial planning.
Decision Making	<b>Draft Report Stage.</b> Review of the Council's decision-making arrangements.
Key Financial Systems (Council Tax and NNDR)	<b>Draft Report Stage.</b> Review of the key controls in place for managing and monitoring Council Tax and NNDR arrears.
Housing Grants and Loans	<b>Draft Report Stage.</b> Review to ensure compliance with grant terms and conditions and ensure that the grants awarded constitute an appropriate use of expenditure.
Housing Rents	<b>Draft Report Stage.</b> Review of the control environment in relation to Housing Rents.
Landlord Rent Deposit Scheme	<b>Due Q4.</b> Review of the control environment in relation to LRDS.
Cultural Strategy	<b>Due Q4.</b> Review of the Council's Cultural Strategy & Partnership Effectiveness.
Emergency Planning	<b>Due Q4.</b> Review of the policy and framework for emergency planning response and recovery.
Leisure Centres	<b>Due Q4.</b> Review of operational and financial arrangements.
Car Park Strategy	<b>Due Q4.</b> Review of the Car Park Strategy and its framework for reporting progress.
Temporary Accommodation	<b>Due Q4.</b> Review of arrangements for Temporary Accommodation.
Driving Policy	<b>Due Q4.</b> Review of the control environment in relation to the Council's Driving Policy.
Key Financial Systems (BACS)	<b>Due Q4.</b> Review of the key controls in place for managing BACS payments.

## Follow Ups

Audit Title	Status
Officer and Member Conflict of Interest <i>(Limited Assurance)</i>	In the previous report, six recommendations (three high and three medium priority) were made. Our follow up audit confirmed that, based on the evidence presented, significant work had been undertaken on the processes for managing Council officer potential conflicts of interest. Two medium priority recommendations had been implemented, and four recommendations (three high and one medium priority) had been partially implemented, with the minor outstanding elements of these recommendations relating to updating documentation to formalise the new processes that have been put in place. The timeframe to complete these updates is April 2026.
Internal/External Comms <i>(Moderate Assurance)</i>	In the original report, three findings (one high, one medium and one low priority) were made. Our follow up review confirmed that, based on the evidence presented, the recommendations relating to the high priority finding have largely been implemented. The outstanding element relates to some digital development delays which are being resolved. The outstanding element of the medium priority recommendation relates to the roll out of a new policy due in early 2026. The low priority recommendation has been implemented.
Licensing <i>(Moderate Assurance)</i>	In the previous report, three recommendations (two medium and one low priority) were made. Based on the evidence presented, our follow up audit revealed that two recommendations (one medium and one low priority) have been implemented, and one medium priority recommendation is partially implemented. The longer-term objective remains to integrate licensing systems, however, while the current arrangements are not fully integrated, it is noted that they remain functional, and officers are able to locate and monitor all required records.
Volunteers <i>(Moderate Assurance)</i>	In the previous report, three medium recommendations were made which related to forming a Volunteer Co-ordinators Group, where volunteer co-ordinators across the Council meet periodically during the year to share best practice, discuss any issues, and any changes in policy, requirements etc. The forum has subsequently been created, and progress will be verified by Internal Audit in Q4.
Hylands House <i>(Substantial Assurance)</i>	In the previous report, four recommendations (three medium and one low priority) were made. Based on the evidence presented, our follow up audit revealed that all recommendations have been implemented.
Corporate Approach to Additional Hours (Overtime) <i>(Management Letter)</i>	Report due Q4
KFS - Accounts Payable and Housing Benefit <i>(Substantial Assurance)</i>	Report due Q4
Cyber Security & Data Breaches <i>(Moderate Assurance)</i>	Report due Q4
Use of Off-Payroll Workers	Report due Q4

Audit Title	Status
<i>(Limited Assurance)</i>	
Corporate Property <i>(Moderate Assurance)</i>	Report due Q4

### Other Internal Audit Activity

Internal Audit have provided support for the Council's Carbon Footprint calculations, as well as Springfield Charity Accounts, and provided other ad hoc advice and guidance as requested.