

REPORT TO:		AUDIT COMMITTEE	
DATE:		22 September 2025	
PORTFOLIO:		Councillor Vanessa Alexander - Resources and Council Operations	
REPORT AUTHOR:		Mark Beard – Head of Audit & Investigations	
TITLE OF REPORT:		AUDIT REPORTS & KEY ISSUES – PROGRESS REPORT FOR THE PERIOD JUNE 2025 – AUGUST 2025	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. **Purpose of Report**

- 1.1 To inform members of the Audit Reports issued during the period June 2025 – August 2025 and bring to the attention of the Committee what the key issues were.

2. **Recommendations**

- 2.1 I recommend that Audit Committee:
- note the content of this report for informational purposes.

3. **Reasons for Recommendations and Background**

- 3.1 This report covers the period of June 2025 to August 2025. The audit areas and any key issues detailed at Appendix 1.
- 3.2 Members should be aware that the number of audit reports that are issued between each Committee meeting is subject to variation dependent on the size of the audit and any non-routine audit work, such as investigations, that the Team may be involved in. Therefore, for the purpose of reporting, only the audit reports fully completed, issued and agreed will be included.
- 3.3 Any investigations that may be carried out will not be included as a matter of routine in this report, particularly if they relate to a specific individual or individuals.

- 3.4 There is a target of 98% of the audit plan to be completed by the end of the current financial year in terms of audit days completed. As the audit team complete timesheets which then feed into the audit plan, it is possible to state the progress to date and the projected end of year position if that data is extrapolated. Therefore:-

Position as at end of August 2025 = 35.57% of the plan completed
Projected out-turn position for 2025/26 = 85.37% of the plan completed

- 3.5 The position at the end of August 2025 can be broken down as follows:-

Month	% of the Plan Completed that Month
April 2025	7.35%
May 2025	6.57%
June 2025	5.40%
July 2025	8.06%
August 2025	8.19%

4. **Alternative Options considered and Reasons for Rejection**

- 4.1 Not applicable as the report is for informational purposes only.

5. **Consultations**

- 5.1 No consultations required as this report is based on data and information held by the audit team based on the work completed.

6. **Implications**

Financial implications (including any future financial commitments for the Council)	There are no financial implications arising from this report
Legal and human rights implications	There are no legal or human rights implications arising from this report.
Assessment of risk	Risks are taken into consideration during the audit process itself; there is no direct risk implication from this report.
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	This report is produced for information awareness of the progress of the Audit Team against the annual Internal Audit Plan. The Audit Planning process has had an equality impact assessment which remains valid, and it is not necessary to update this with a Customer First Analysis

	currently. The individual audit assignments may, in some cases, feed into the needs of equality and diversity issues within individual service areas of the Council
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**7. Local Government (Access to Information) Act 1985:
List of Background Papers**

- 7.1 No background papers were necessary for the preparation of this report.

APPENDIX 1

AUDIT COMMITTEE – 22 September 2025

Summary of the main issues arising from audits carried out June 2025 – August 2025

Payroll:-

Audit Assurance Opinion Issued:- Limited assurance

The work carried out within this audit assignment is in conformance with the Global Internal Audit Standards. The work undertaken showed weaknesses in the design and / or inconsistent application of controls that put the achievement of the service objectives at risk.

- The audit engagement found that the overtime process was reliant on the individual staff member deducting their lunch break from the hours claimed where it was a full day. Whilst the audit did not find evidence of incorrect claims, the authorisation process should refer to this having been deducted where appropriate. A reminder has been sent to all service areas by Management and the overtime guidance has been updated to include how to submit overtime, TOIL and sickness, plus substitution of managers for Hyserve authorisation. New starters will be met by the HR Team shortly after commencing work for training on Hyserve.
- It was agreed with Management that Car Allowance Guidance will be refreshed and recirculated. The audit drew attention to instances where staff had chosen to drive instead of using cheapest form of public transport. There was also the need to include notes of explanation within the online claim to help managers who authorise the claims.
- The online claiming system cannot differentiate between journeys of 70 miles or less and journeys over 70 miles where a lesser mileage rate becomes payable. Management agreed to update the Car Allowance Guidance.
- The audit identified an issue which Management had already raised with the software developers relating to the calculation of sick pay for staff members who have multi-post contracts. This has been subject to fixes issued by the software company. The sick pay calculation is manually checked to ensure accuracy.
- The audit also queried the way in which the system displays sick days. The software does not include Sundays and bases it on a 6-day week. This had not affected the correct payment of sick pay. This is something which Management has raised with the software company and is awaiting a response. The Payroll & Pensions Manager has amended the sick pay parameters so that the calculation is over the whole week.
- There have been occasions where information has not been sent to the Payroll Team promptly by one of the third-party organisations which the Payroll Team processes salaries for. This can be starter or leaver information which has resulted when it is a leaver in an overpayment which has then to be recovered. Management has written to

the Chief Executive of the third-party organisation in question regarding prompt notification of staff changes to the Payroll Team.

- Budgetary reports are generated by the system for Managers relating to payroll expenditure, but these were not always being analysed by Managers promptly. This could allow errors to go unnoticed for longer periods. The report holders will be reminded to ensure that they regularly check the information, and any queries will be raised promptly with the Payroll Team.
- The audit engagement found that software errors had occurred since the introduction of Civica People, some of which had resulted in pay errors and then created work that included manual calculations and the duplication of records to ensure accuracy. This has been reported to the software provider, however, the process to address these issues was not clear. Clarification was required in relation to software updates and screen detail inclusions. Management has sought progress updates to expedite any outstanding cases / incidents.
- A need for further training in relation to the pension's area of the software had been identified and this training has been requested.

External Consultancy Fees / Costs:-

Audit Assurance Opinion Issued:- Comprehensive assurance

The work carried out within this audit assignment is in conformance with the Global Internal Audit Standards. The work undertaken showed a sound system of internal control which is designed to meet the service objectives, in addition the work carried out showed controls are consistently being applied.

- No issues arising.

Waste Collection and Recycling:-

Audit Assurance Opinion Issued:- Comprehensive assurance

The work carried out within this audit assignment is in conformance with the Global Internal Audit Standards. The work undertaken showed a sound system of internal control which is designed to meet the service objectives, in addition the work carried out showed controls are consistently being applied.

- No issues arising.

General Data Protection Regulation and Document Retention Compliance:-

Audit Assurance Opinion Issued:- Substantial assurance

The work undertaken showed there is generally a sound system of internal control designed to meet service objectives, and controls are generally being applied consistently. However,

some weaknesses in the design and / or inconsistent application of controls put the achievement of particular objectives at risk.

- The audit engagement found that the last corporate training for GDPR took place in March 2022. Since that date there has only been basic awareness training for new starters as part of the corporate induction programme. Management agreed to schedule refresher training for staff to take place in October and November 2025.

ICT Help Desk:-

Audit Assurance Opinion Issued:- Comprehensive assurance

The work carried out within this audit assignment is in conformance with the Global Internal Audit Standards. The work undertaken showed a sound system of internal control which is designed to meet the service objectives, in addition the work carried out showed controls are consistently being applied.

- No issues arising.