

Audit & Governance Committee

12 October 2026

Audit actions update report

For Review and Consultation

Cabinet Member:

Cllr N Ireland, Leader, Climate, Performance, Communications and Safeguarding

Local Councillor(s): All

Senior Leadership Team:

S Ford - Assistant Chief Executive / J Mair – Director of Assurance & Governance

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Statutory Authority: N/A

Report status: Public

1. Executive summary

- 1.1 This report provides the Audit & Governance Committee with an overview of performance relating to South West Audit Partnership (SWAP) audits and associated management actions. It presents progress since the previous committee report on 29 June 2026, highlighting actions completed, actions that remain outstanding, and those that are overdue.
- 1.2 The council has continued to prioritise the implementation of audit recommendations, with particular emphasis on reducing overdue actions and strengthening assurance in areas of greatest organisational risk. Since the last reporting cycle, further audit actions have been completed across a range of service areas, alongside the full completion of a number of audit reviews. Although progress has moderated compared with the significant reduction achieved in the previous quarter, focused management oversight remains in place to ensure delivery of outstanding recommendations and minimise exposure arising from control weaknesses.
- 1.3 A small number of actions remain overdue, primarily due to dependencies on wider transformation activity, resource constraints, or system development requirements. Responsible officers continue to monitor delivery closely and mitigating controls are in place to manage residual risk until actions are completed. At the same time, a number of previously implemented recommendations have become embedded within business-as-usual

processes, providing increasing assurance that improvements are both sustainable and effective.

- 1.4 In total there are 30 overdue actions across the audit portfolio. The backlog is concentrated in a small number of audits with Moving from Self-Funding to Council Funding having 4 overdue actions, the highest in the portfolio and a three further audits holding 3 actions each.
- 1.5 In line with the committee's ongoing risk-based approach, audit activity has been reviewed against the council's principal risk profile. Particular attention has been given to audits linked to high-risk areas including data and information management, legal compliance, technology, and service delivery risks. This enables the committee to focus its attention on those areas where outstanding actions could have the greatest organisational impact
- 1.6 The report also highlights progress in developing an integrated Audit and Risk Dashboard, designed to strengthen organisational assurance arrangements by bringing together audit recommendations, action delivery, risk ownership and risk exposure within a single reporting framework. Once established, the dashboard will improve visibility of the relationship between audit findings and organisational risks, supporting more informed decision-making, stronger governance and enhanced Committee oversight.
- 1.7 Overall, the report demonstrates continued progress in addressing audit recommendations, improving control effectiveness and strengthening the council's governance framework, whilst maintaining a clear focus on the timely resolution of outstanding and overdue actions in areas of highest risk.

2. Recommendations

- 2.1 That the committee:
 - Notes the overall position in relation to audits, as set out in Appendix 1
 - Identifies any priority thematic areas for future focus at the committee meeting on 12 October 2026, based on the audit position presented in Appendix 1.

3. Reason for the recommendations

- 3.1 The Audit & Governance Committee is responsible for providing independent assurance on the adequacy and effectiveness of the council's risk management framework, internal control environment, and financial reporting arrangements. The committee therefore requires timely, risk-based updates

on audit activity to enable it to discharge its assurance role effectively and to maintain oversight of areas where organisational exposure is greatest.

- 3.2 The recommendations support the committee in fulfilling its constitutional function to promote and maintain high standards of governance and ensure that audit findings are managed in a transparent and accountable manner. By presenting audit progress through a structured, risk aligned approach, the report strengthens Members' ability to scrutinise internal control, identify weaknesses, and seek appropriate assurance from audit action owners.

4. The report

- 4.1 This report provides an update on the progress made in implementing actions arising from audits undertaken by South West Audit Partnership (SWAP). It sets out both the overall position across all audits with outstanding actions and progress towards completion, as well as providing updated narrative for overdue audit actions.
- 4.2 While maintaining a focus on audits aligned to the council's highest risk areas, we have also prioritised overdue actions once again during this reporting cycle. As reported to Committee on 29 June 2026, the number of overdue actions reduced from 34 to 18, representing a 47% reduction.
- 4.3 Since the previous Audit & Governance Committee on 29 June 2026, a total of 21 actions (1 priority one, 11 priority two, and 9 priority three) have been completed. These actions relate to 13 separate audits and span a broad range of risk areas. Furthermore, four audits have been completed in their entirety.
- 4.4 As it stands, 49 actions remain outstanding, of which, 30 are overdue at the time of reporting to committee.
- 4.5 Since the previous report, a further 28 audit actions have become overdue as they have passed their original implementation dates. As a result, whilst 21 actions have been completed during the reporting period, the overall number of overdue actions has increased compared with the position reported to Committee in June. This movement reflects both the continued completion of existing actions and the transition of additional actions into overdue status.
- 4.6 The increase should also be considered in the context of a legacy approach to audit action planning, where some implementation dates were set using indicative timelines that did not always fully reflect delivery complexity, dependencies, or the time required to embed sustainable change. As a result, a number of historic actions have now moved into an overdue position.

- 4.7 Notwithstanding these legacy factors, the council remains focused on reducing the overdue position at the earliest opportunity. Responsible officers continue to prioritise delivery of outstanding actions, with particular emphasis on those presenting the greatest risk exposure to the council.
- 4.8 Analysis of the overdue actions highlights that the position remains concentrated within a relatively small number of audit reviews, enabling targeted management focus and oversight. One audit, Moving from Self-Funding to Council Funding, accounts for four overdue actions, representing the highest number of overdue actions within one audit across the current portfolio. Whilst these actions remain open, work is underway on associated system developments and policy updates moving through governance approval processes to support delivery, and swift action completion.
- 4.9 A further three audits, namely Temporary Accommodation, Governance of Financial Management in Schools and Children's Services Direct Payments, each contain three overdue actions. In many cases, implementation activity is already underway, with actions linked to Cabinet decisions, policy development, service planning activity, or the provision of supporting evidence. The remaining 17 overdue actions are distributed across 12 separate audits, many of which have only a single overdue action outstanding.
- 4.10 Consideration has also been given to the inherent risk ratings associated with audits containing overdue actions. Whilst a number of overdue actions sit within audits carrying higher inherent risk scores, the majority arise from Medium risk audits. Of the 30 overdue actions, 20 relate to Medium risk audits, compared with six from High risk audits and four from Low risk audits (see Appendix 1). Importantly, the existence of an overdue action does not necessarily indicate unmanaged risk. In many cases, mitigating controls remain in place, implementation activity is progressing, or alternative arrangements continue to provide assurance pending full completion of the agreed action.
- 4.11 In line with the council's risk-based approach to assurance, overdue actions have also been reviewed against the principal risk categories to which they relate (see Appendix 1). Whilst the greatest concentration of overdue actions relates to regulatory compliance, financial governance and statutory service delivery, Appendix 1 demonstrates that many of these actions are supported by existing controls, established processes, or ongoing improvement programmes. Examples include regulatory compliance arrangements already operating effectively within the Disclosure and Barring Service audit, updated operational processes mitigating risks associated with Subject Access

Requests, and policy, governance and system improvements that are currently progressing across a number of finance-related audits. These areas will continue to receive targeted management attention to ensure that residual risks remain appropriately controlled whilst actions are brought to completion.

- 4.12 The position remains under active review through established governance arrangements and an updated position will be verbally reported to Committee on 12 October. Responsible officers continue to monitor progress against agreed implementation dates, with particular attention placed upon overdue actions linked to Finance and Legal risk categories and those within higher-risk audit reviews. Where delays occur, mitigating controls are maintained to ensure that residual risk remains appropriately managed until actions are fully implemented.
- 4.13 Whilst overall progress hasn't mirrored the trajectory of the previous report, in collaboration with services we remain focussed on reducing overdue audit actions and proactively managing actions posing the greatest risk exposure to the council. Together with the ongoing oversight provided by the Audit and Governance Committee, we are confident that the appropriate processes are in place to support the timely completion of outstanding actions and the continued reduction of overdue actions.
- 4.14 The reporting period has also seen continued progress in embedding improvements arising from previous audit findings. In a number of areas, actions have now moved beyond implementation and into established business-as-usual arrangements, providing greater assurance that intended improvements are becoming embedded within everyday operational practice. This transition from action completion to sustained implementation is an important indicator of organisational learning and contributes to the continued strengthening of the council's governance and control environment.
- 4.15 In response to feedback received from the Committee at its previous meeting, a proportion of the council's allocated South West Audit Partnership (SWAP) audit resource will also be directed towards follow-up assurance activity, including the dip sampling of previously completed audit recommendations. This work provides an additional layer of assurance regarding the effectiveness and sustainability of implemented actions, helping to confirm that agreed improvements have become embedded within operational practice and continue to operate as intended.
- 4.16 Alongside the continued focus on the delivery of audit actions, work has progressed on a new integrated Audit and Risk dashboard. The dashboard enables audit and risk owners to update and monitor actions more effectively,

strengthening the link between audit activity, risk management and internal control. It is designed to support greater accountability, improved oversight, and the timely delivery of agreed actions across the organisation.

Future Reporting

4.14 The next audit progress report will be brought to the committee on 25 January 2027.

4.15 Future reporting will continue to adopt a thematic focus, driven by either:

- the inherent level of risk attached to an audit area, or
- specific direction from the Committee.

5. Alternative options considered

5.1 Not applicable. The report presents information on audit action performance and progression and does not recommend any change to council policy or new action.

6. Legal considerations

6.1 There are no legal implications arising directly from this report.

7. Financial implications

7.1 There are no financial implications arising directly from this report.

8. Natural environment, climate & ecology implications

8.1 The report does not have direct climate change implications.

9. Wellbeing and health implications

9.1 The report does not have direct wellbeing and health implications

10. Other implications

10.1 None.

11. Risk implications

11.1 Not applicable. The report presents information on audit progression and does not seek a decision.

12. Equalities

12.1 There are no direct equality, diversity or inclusion implications resulting from this report. Equality impact assessments are carried out, when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

13. Appendices

- **Appendix 1** provides a summative narrative of outstanding audits and actions including overdue status and inherent risk rating.

14. Background papers

- [Risk Management Framework](#)
- [Audit and Governance Committee 29 June 2026](#)
- [Audit and Governance Committee 27 April 2026](#)
- [Audit and Governance Committee 12 January 2026](#)

15. Report sign-off

- 15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

Appendices

Appendix 1: Audit & Actions Update

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Data Maturity	Data and Information Management	Open	6 (0 overdue)	16 (High)	Actions due April 2027. Responsible officers assigned and action underway.
Implementation of Investigation Action Plan	Legal	Cautious	1 (1 overdue)	12 (High)	Evidence for one action has been sent to SWAP for approval.
Temporary Accommodation	Legal	Cautious	3 (3 overdue)	12 (High)	Actions outstanding but proposals encompassing the remaining three actions being taken to Cabinet for approval in October.
Quality Assurance Process for Care Providers	Legal	Cautious	1 (1 overdue)	12 (High)	Action is linked to a paper being submitted to the Design Authority in September, an update has been requested from the action owners.
Governance of Financial Management in Schools	Finance	Cautious	4 (3 overdue)	9 (Medium)	Remaining actions progressing. Currently awaiting evidence from a number of schools in order to further actions.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
					Submission of school reports will facilitate a review of actions and evidence to support closure.
Safer Recruitment and Keeping Children Safe in Education	Legal	Cautious	2 (2 overdue)	9 (Medium)	This action was agreed in March 2026 and remains in planning phase. Work in progress to deliver against actions.
ICT Microsoft Purview	Technology	Eager	3 (2 overdue)	9 (Medium)	Associated policies and processes taken to Information Governance Group in August
Moving from Self-Funding to Council Funding	Finance	Cautious	4 (4 overdue)	9 (Medium)	New actions underway including system development and policy updates. Work to be scoped and developed to meet action deadlines.
Frontline Services Resource Management- Asset Use	Finance	Cautious	2 (2 overdue)	9 (Medium)	A draft policy has been developed covering both audit actions that is due to enter the first stage of the approval process in October 2026.
Children's Service Direct Payments	Finance	Cautious	3 (3 overdue)	8 (Medium)	Actions continue to progress.
Children's Services Contracts & Homes Monitoring	Finance	Cautious	1 (0 overdue)	6 (Medium)	Action is with the owners to progress.
Frontline Services Resource Management - Timesheets	Finance	Cautious	1 (1 overdue)	6 (Medium)	The remaining action is progressing with the collation of the evidence in order to request closure of the action.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
DC Anti-Tax Evasion	Finance	Cautious	1 (0 overdue)	6 (Medium)	New training added to the learning hub. Evidence submitted to SWAP, but more information on target audience and assurance required for closure.
Subject Access Requests	Legal	Cautious	2 (2 overdue)	6 (Medium)	Progress is limited but mitigating factors are significant: - Processes have been updated to reflect recommendations from counsel's opinion, following a data breach that prompted this audit work. Processes have also been clearly mapped. A refresh of the SARs policy remains outstanding, but the risk has been largely mitigated via the updated internal processes. - Initial action dates were based on transformation timescales, as information compliance was originally in scope for year one Our Future Council transformation. Options suggested within the audit findings will again be fed into this years transformation scoping. A more definitive update will be provided once any future transformation work has been scoped.
Fleet Maintenance	Operations	Open	3 (1 overdue)	6 (Medium)	Action continues to progress.
Early Years Block and Funding 2	Finance	Cautious	4 (0 overdue)	6 (Medium)	Action is with the owners to progress.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Disclosure and Barring Service	Legal	Cautious	2 (2 overdue)	4 (Low)	Actions relate to strengthening service resilience but existing systems in place currently ensuring regulatory compliance which is reflected in the risk scoring.
Highways Maintenance Block Funding	Legal	Cautious	2 (0 overdue)	4 (Low)	Actions assigned to owner.
DC Continuous Key Controls Payroll 2025-26	Finance	Cautious	1 (1 overdue)	2 (Low)	Pending the implementation of a new system
Continuous Key Controls Revenues and Benefits 2025-26 May to October	Finance	Cautious	1 (0 overdue)	1 (Low)	Action assigned to owner.
Accounts Payable Continuous Audit	Finance	Cautious	1 (1 overdue)	1 (Low)	Control document forwarded. SWAP to query a few points with action owner before closure.