

Dorset Council

Report of Internal Audit Activity

Progress Report 2026/27 – September 2026

Executive Summary

As part of our rolling plan reports, we will detail progress against the internal audit 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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SWAP is an internal audit partnership covering 28 organisations. Dorset Council is a part-owner of SWAP, and we provide the internal audit service to the Council.



Audit Outcomes and Plan Performance

This is our third report for the 2026/27 financial year providing an update on the delivery of the audit plan up to 23 September 2026.

Since our last progress report, we have issued the following limited assurance opinion reports:

- Fleet Maintenance
- Early Years Block and Funding

The one-page summaries for each of these audits are included as part of **Appendix B**.

Whilst areas of non-compliance or control weakness have been identified within our reviews, the Council's Policy, Insight and Performance team works with Internal Audit to monitor and report on the implementation of agreed audit actions, supporting directorate ownership and oversight by the Committee.

Appendix A of this report provides members with the audits currently included in the rolling plan and the outcomes of completed work that will inform the 2026/27 Internal Audit Annual opinion.

Our progress report has been updated to provide further detail on the proposed objectives for audits currently in the audit pipeline. Planned work is reviewed regularly and remains responsive to organisational need, risk and available resources. The indicative objectives in **Appendix A** may therefore be revised during the audit scoping process.

Executive Summary

For further details see:

<https://www.swapaudit.co.uk/>

Standard 12.2 – Performance

Measurement outlines that the Chief Audit Executive must develop objectives to evaluate the internal audit function's performance.

SWAP will continually review the performance measurement methodology with Senior Management and the Audit and Governance Committee to be able to assess progress towards achieving the functions objectives and to promote continuous improvement of the internal audit function.

Performance

The current delivery position for Dorset Council audits in 2026/27 is shown in the table below, with comparisons to the previous two years' outturns.

Audit Delivery	2024/25	2025/26	2026/27 to date	
			Complete	In Progress
Assurance reviews	22	26	3	8
Follow Ups	3	8		
Grant Certification	10	3	3	
Advisory	5	5		2
Proactive Fraud Work	0	2		1
Continuous Audit	12	12	4	2
ICT Audits (Assurance and Advisory)	3	3		1
Investigations	6	0		
Special Review				1
Total	61	59	10	15

A total of 10 reviews have been completed as part of the 2026/27 audit plan. A further 15 reviews are recorded as in progress in the table above, comprising 11 reviews in fieldwork or internal review and four at draft report stage. The completed total comprises three assurance reviews, three grant certifications and four continuous audits.

In addition to the reviews summarised above, our 2026/27 counter-fraud work has included fraud training for the Audit and Governance Committee, with further training planned for headteachers.

Internal Audit Plan Progress 2026/27

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.

For those areas where no audit coverage is planned, assurance should be sought from other sources to provide a holistic picture of assurance against key risks.



SWAP Internal Audit Plan Coverage

Table 1 below presents our audit coverage mapped against the Authority's **Principal Risks**. Further detail can be found using our audit management system, AuditBoard [AuditBoard | Login \(auditboardapp.com\)](https://auditboardapp.com). The non-opinion audits represent advisory work rather than assurance engagements. To view the audits that make up the coverage, log into AuditBoard, right-click on a coverage cell, select "drill through", and then choose "audit details".

Table 1 – as at 23.09.2026

Principal Risk  Hover over Principal Risk title to see a definition	Coverage	Average Opinion
Commercial	Some	Reasonable
Data and Information Management	Adequate	Limited
Finance	Good	Reasonable
Legal	Good	Reasonable
Operations	Good	Reasonable
People	Good	Reasonable
Project / programme	Adequate	Reasonable
Property	Some	Non Opinion Audits
Reputation	Good	Reasonable
Security	Some	Reasonable
Technology	Some	Reasonable

Coverage	Description
Good	10 or more completed audits
Adequate	Between 5 and 10 completed audits
Some	Less than 5 completed audits
In Progress	1 or more audits are in progress
None	No coverage to date

Assurance	Description
Substantial	Sound system of governance, risk management and controls exist
Reasonable	Generally sound system of governance, risk management and control in place
Limited	Significant gaps, weaknesses or non-compliance were identified
No Assurance	Fundamental gaps, weaknesses or non-compliance identified

Responsibility for monitoring and reporting the Council's performance for implementation of agreed actions now rests jointly with the Council's Policy, Insight and Performance Team and Internal Audit.

Implementation of Actions

The graphic below provides an analysis of overdue priority 1, 2 and 3 actions. There are 61 actions that have yet to be implemented, 30 of which are currently overdue. 20% of the overdue actions are between 6 and 12 months overdue.

We have stopped revising implementation dates to avoid masking overdue actions and you will see that the number of actions with revised dates where the actions have not been implemented is dropping.

The Council's Policy, Insight and Performance team are now reporting separately to the Committee on audit actions acting as a conduit between the Council and SWAP, to strengthen oversight of actions, with the aim of reducing the number of actions that become overdue, fostering engagement and accountability across directorates.

Additional information is available in the Management Actions tab of the SWAP Executive dashboard, which can be accessed via this link: [AuditBoard | Login \(auditboardapp.com\)](#)

Table 2- as at 23.09.2026

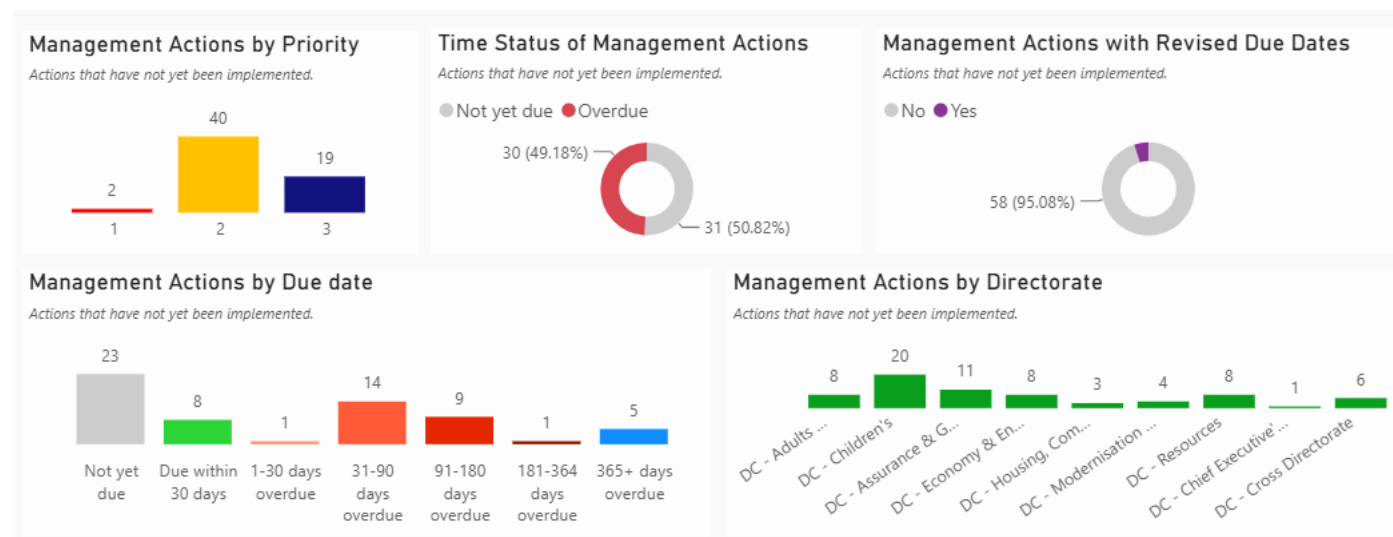


Table 1 – Final and Draft Reports Issued

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major		3 = Medium	Risk
					Action			
					1	2	3	
Completed Audits								
Continuous Audit	Continuous Key Controls Main Accounting 2026-27 November to April (May 2026)	Final	Continuous Assurance	-	-	-	-	Low
Grant Certification	Dept for Business and Trade (DBT) Grant Certification	Final	Certified	-	-	-	-	N/A
Assurance	Fleet Maintenance – 25/26	Final	Limited	5	1	3	1	Medium
Assurance	Resettlement - Readiness and Lessons learned	Final	Reasonable	2	-	2	-	Low
Continuous Audit	Continuous Key Controls Payroll 2026-27 November to April (May 2026)	Final	Continuous Assurance	-	-	-	-	Low
Continuous Audit	Continuous Key Controls Treasury Management 2026-27 January to June (July 2026)	Final	Continuous Assurance	-	-	-	-	Low
Assurance	Early Years Block and Funding 2	Final	Limited	4	-	3	1	Medium
Grant Certification	Highway Maintenance Capital Funding (Highway Maintenance Block) Specific Grant Determination (2025/26): No.31/7766	Final	Certified	-	-	-	-	N/A
Grant Certification	Local Transport Resource Funding and Integrated Transport Block Grant	Final	Certified	-	-	-	-	N/A
Continuous Audit	Continuous Key Controls Accounts Receivable 2026-27 January to June (July 2026)	Final	Continuous Assurance	2	-	1	1	Low
Draft Reports								
Special Review	Street Lighting PFI	Draft						
Assurance	Fostering / Kinship	Draft						

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium	Risk
					Action			
					1	2	3	
ICT - Assurance	ICT Vulnerability Management	Draft						
Assurance	Frontline Services Resource Management – 25/26	Draft						

Table 2 – Work currently in progress

Audit Type	Audit Area	Priority/ Status	Directorate	Objective
In Progress				
<i>The following audits are in progress. This stage includes fieldwork and internal review undertaken before a draft report is issued.</i>				
Assurance	Adults Brokerage Process	In progress	Adults	To evaluate the effectiveness, efficiency and maturity of the Council's end-to-end brokerage processes in delivering Care Act compliant outcomes, maximising value for money, controlling market and placement costs, and identifying opportunities to strengthen performance, data reliability and workforce capacity. – Q2
Counter Fraud	Fraud Risk Assessment	In progress	Assurance & Governance	To provide the organisation with a high-level Fraud Risk Assessment review of the organisation's fraud maturity, in line with the Fighting Fraud and Corruption Locally Strategy 2020. To demonstrate future progress in reducing risk and increasing maturity. – Q2
Assurance	Cifas and NFI	In progress	Assurance & Governance	To evaluate whether CIFAS and NFI tools are fully utilised, effectively embedded within Council services, and delivering value for money through the prevention and detection of fraud. - Q2
Advisory	Registered Provider Obligations & NROSH+ Returns	In progress	Housing, Communities & Prevention	To assess how the council is currently meeting its Registered Provider (RP) obligations, identify gaps and weaknesses, and recommend improvements to strengthen governance, data quality and compliance readiness. – Q2
Assurance	Property Acquisitions and Disposals	In progress	Economy & Environment	To assess the adequacy and effectiveness of the governance, processes, controls, and information supporting the Council's approach to Asset Disposals, Community Asset Transfers and acquisitions. – Q2

Audit Type	Audit Area	Priority/ Status	Directorate	Objective
Assurance	Grounds Maintenance	In progress	Economy & Environment	To assess the accuracy and completeness of cost allocation and pricing methodologies for the Grounds team. – Q2
Advisory	ERP Implementation	In progress	Modernisation & Customer Delivery	To review the governance and reporting framework for the implementation of the new ERP system. This review will develop throughout the project to provide both advice and assurance on the ERP implementation with individual focussed reviews being undertaken at key stages within the development. – Q2-Q4.
Continuous Audit	Continuous Key Controls Revenues and Benefits 2026-27 November to April (May 2026)	In progress	Modernisation & Customer Delivery	To ensure key financial system controls are operating effectively for Council Tax & Business Rates and Housing Benefit & Council Tax Support, and that opportunities for error, fraud or corruption are minimised. – Q2
Continuous Audit	Continuous Key Controls Accounts Payable 2026-27 January to June (July 2026)	In progress	Resources	To ensure the Council has effective key financial controls in place for its Accounts Payable function that enables it to pay suppliers for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules. Q2
Assurance	Centralised Debt Recovery Processes	In progress	Resources	To assess the effectiveness of the Council's centralised debt recovery approach, and to identify good practice that could be adopted more widely to improve the timeliness, consistency, and overall recovery of debt across the organisation. – Q2
Assurance	Contract Management	In progress	Resources	Assess whether the current contract management process is effective, controlled, and aligned with Organisational policies, to ensure that contracts deliver expected value, that the risks are managed, that contracts are regularly assessed by contract owners, and obligations and outcomes are met. - Q2

Table 3 – Planned audit work for 2026/27

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Waiting to go live <i>These audits have been scoped or are in the process of being scoped with management. Testing will commence following agreement of the audit scope and timescales with management.</i>				
Assurance	Birth to Settled Adulthood	131 Medium	Adults / Children's	To provide assurance on the effectiveness and efficiency of the Birth to Settled Adulthood processes, in complying with statutory requirements and delivering outcomes that support independence, education and employment for Children and Young people.- Q2
Assurance	Quality Assurance of Children's Alternative Provision		Children's	To provide assurance that arrangements for commissioning, oversight, and quality assurance of external unregistered (non-school) Alternative Provision (AP) are effective, ensuring that AP packages are safe, outcome-focused, value for money, and aligned with AP's intended temporary purpose. – Q2
Assurance	Family Networks		Children's	To review the effectiveness of the support offered by the family networks system, and the consistency of its application and integration across relevant Council services supporting families.- Q3
Advisory	Response to Climate Emergency Phase 2	106,231 High	Chief Executive's Office	To evaluate the impact and effectiveness of actions completed in response to the 2022 Response to Climate Emergency audit, and to assess the extent to which these actions have strengthened Dorset Council's governance, decision-making, capability, and use of information in supporting progress towards its net zero ambitions. – Q3
Assurance	Harbour Administration and Operational Processes		Economy & Environment	To assess the effectiveness, efficiency, and robustness of the Harbour Authority's administrative processes, evaluating whether current arrangements support accurate service delivery, strong internal control, good customer management, and compliance with statutory and organisational requirements. – Q2
Assurance	HRC Booking System	294 Medium	Economy & Environment	To assess whether the HRC booking system is delivering its intended financial, operational, and service benefits, and whether robust governance, performance management, and system capabilities are in place to support effective scaling, consistent implementation, and maximisation of value across all Household Recycling Centre (HRC) sites. – Q3
Advisory	Local Nature Recovery & Biodiversity Net Gain	285,313 Medium	Economy & Environment	To provide a high-level advisory review of the council's policy, governance and control framework for delivering Biodiversity Net Gain. – Q3

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Assurance	Housing Delivery/ Planning obligations under Section 106		Housing, Communities & Prevention	To assess whether Section 106 housing contributions are effectively managed, used appropriately, and supported by adequate governance and controls. - Q3
ICT - Assurance	ICT User Access Management (Applications)	91 Very High	Modernisation & Customer Delivery	Examine the user access management processes for Dorset Council's ICT applications to ensure compliance with security standards and efficient access control measures. – Q3
Future Proposed Pipeline 2026/27 <i>These audits are planned for delivery in 2026/27 but will be reviewed regularly with management, taking account of risk, available audit resources and organisational coverage.</i> <i>The objectives provide an indicative description of the intended focus of each audit. The final objective and scope will be agreed with management during the audit scoping process.</i>				
Assurance	ASC Demand Management	130, 146 High	Adults	To review the actions taken to address the ASC budget gap including the effectiveness of actions taken and the governance and reporting oversight. – Q3
Assurance	Data Breaches	49 Medium	Adults	To provide assurance on the management arrangements for ensuring cyber risks/data breaches are minimised within Adult Social Care. Q3/Q4
Assurance	Impact of Health Reform	200,167 Very High	Adults	To provide assurance that the Council has identified and quantified the impact of additional financial responsibilities and has identified the appropriate mitigating actions to minimise the impact including (but not limited to); joint funding agreements, partnership financial governance, and oversight of prevention activities. – Q4
Assurance	Post-CQC Inspection Review	166 Low	Adults	To review the outcomes from the CQC review and assess the arrangements for ensuring any actions are implemented in required timescales.- Q4
Assurance	Elective Home Education - impact of the Children's Wellbeing Bill	198 High	Children's	To provide assurance on the Council's preparedness for the proposed Children's Wellbeing Bill, with a focus on the effectiveness, consistency and capacity of current processes for suitability checks, safeguarding and education oversight. Q3
Assurance	Journey of the Child	177 High	Children's	To provide assurance that Dorset Council's Children's Services have effective governance, processes and partnership arrangements in place to support a child-centred journey through assessment, planning, intervention and review, ensuring decisions are timely, risks are appropriately managed and positive outcomes for children are achieved. Q3

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Assurance	Quality Assurance of Independent Special Schools		Children's	To provide assurance that the Council has effective arrangements in place to monitor, quality assure and oversee independent special school places. Q3
Assurance	Agency and Interim Workers	338 High	Cross directorate	To assess whether governance, recruitment, management and monitoring arrangements ensure that agency and interim workers are engaged only where there is a justified business need, represent value for money and comply with organisational policies. The audit will also assess whether previous actions in this area have been embedded. – Q4
Assurance	Budget Setting and Monitoring	81 Low	Cross directorate/ Resources	To provide assurance that the Council has effective arrangements in place to set, approve, monitor, forecast and manage its revenue budget, particularly within high-volume and demand-led services such as Children's Services and Adult Social Care, ensuring that financial risks, spending pressures and savings plans are identified, reported and managed in a timely manner to support informed decision-making and long-term financial sustainability. – Q4
Assurance	Ethical Framework	40 Medium	Cross directorate/ Assurance & Governance	To assess whether the Council has established and is operating an effective ethical framework that promotes high standards of conduct, integrity, accountability and transparency, and supports compliance with relevant legislation, codes of conduct, policies and expected behaviours. The audit will also assess whether previous actions in this area have been embedded. – Q4
Assurance	Embedding of Risk Management (Council-wide)		Cross directorate	To assess whether risk management arrangements are understood, consistently applied and embedded across the Council, supporting effective identification, escalation, management and oversight of risk. – Q4
Assurance	Capital Delivery		Economy & Environment	To provide assurance that the authority has adequate controls and governance in place to ensure the property subset of capital projects are delivered on time, in line with expectations and provide value for money for taxpayers. – Q3
Assurance	Debt Collection - Housing	68, 72 High	Housing, Communities & Prevention	To provide assurance on the management of debt specifically within Housing to ensure effective controls are in place to record, collect and monitor repayments. – Q3
Assurance	Transformation Team	127 High	Modernisation & Customer Delivery	To review the governance of all projects across the Council.- Q3

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Assurance	Transformation - Savings Realisation	333,335 High	Modernisation & Customer Delivery/ Resources	To review causes that may prevent/delay implementation of savings, what actions are being undertaken to assess the impact of savings not being realised on time, what adjustments are being made to other savings plans where under delivery is likely or has occurred in one area, how officers are being held accountable, & how are delivered savings effectively closed off once delivered (e.g. posts being removed from establishment following redundancy process). – Q3
Assurance	ICT Audits	91 Very High	Modernisation & Customer Delivery	ICT audits will be assessed following completion of the User Access Management audit in Q3–Q4 . Areas identified for potential coverage include: • Disaster Recovery • ICT Supply Chain Risk • ICT Secure Software Development (SSD) • ICT Application Portfolio Management • AI Governance and Risk/AI Security and Unauthorised AI Usage
Advisory	Progress Against CIPFA Management Code	82 Medium	Resources	To review the Council's self-assessment against the CIPFA Financial Management Code. – Q4
Continuous Assurance	Continuous Key Controls Revenues and Benefits 26/27 May to October	97, 101, 102 High	Modernisation & Customer Delivery	To ensure key financial system controls are operating effectively for Council Tax & Business Rates and Housing Benefit & Council Tax Support, and that opportunities for error, fraud or corruption are minimised. – Q3
Continuous Assurance	Continuous Key Controls Payroll 26/27 May to October		Chief Executive's Office	To provide assurances that key controls within Payroll are operating effectively to ensure that payments are accurate, appropriately authorised and made in a timely manner, also that the risks of fraudulent payments are minimised. – Q3
Continuous Assurance	Continuous Key Controls Main Accounting 26/27 May to October		Resources	To review the Council's key financial controls for Main Accounting functions to ensure that the financial records are complete and accurate.- Q3
Continuous Assurance	Continuous Key Controls Accounts Receivable 26/27 July to December	68, 72 High	Resources	To ensure the Council has effective key financial controls in place for its Accounts Receivable function that enables it to collect income for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules. – Q4
Continuous Assurance	Continuous Key Controls Accounts Payable 26/27 July to December	66, 67, 73, 74, 75, 77 Medium	Resources	To ensure the Council has effective key financial controls in place for its Accounts Payable function that enables it to pay suppliers for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules – Q4

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Continuous Assurance	Continuous Key Controls Treasury Management 26/27 July to December	83 Low	Resources	To provide assurance that key controls for treasury management are operating effectively and that treasury management arrangements are compliant with statutory regulations.- Q4
Assurance	Continuous Key Controls Treasury Management 26-27 Annual Assurance	83 Low	Resources	To provide assurance that key controls for treasury management are operating effectively and that treasury management arrangements are compliant with statutory regulations.- Q4
Assurance	Continuous Key Controls Main Accounting 26-27 Annual Assurance		Resources	To review the Council's key financial controls for Main Accounting functions to ensure that the financial records are complete and accurate. – Q4
Assurance	Continuous Key Controls Accounts Receivable 26-27 Annual Assurance	68, 72 High	Resources	To ensure the Council has effective key financial controls in place for its Accounts Receivable function that enables it to collect income for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules. – Q4
Assurance	Continuous Key Controls Payroll 2026-27 Annual Assurance		Chief Executive's Office	To provide assurances that key controls within Payroll are operating effectively to ensure that payments are accurate, appropriately authorised and made in a timely manner, also that the risks of fraudulent payments are minimised.- Q4
Assurance	Continuous Key Controls Accounts Payable 2026-27 Annual Assurance	66, 67, 73, 74, 75, 77 Medium	Resources	To ensure the Council has effective key financial controls in place for its Accounts Payable function that enables it to pay suppliers for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules – Q4
Assurance	Continuous Key Controls Revenues & Benefits 2026-27 Annual Assurance	97, 101, 102 High	Modernisation & Customer Delivery	To ensure key financial system controls are operating effectively for Council Tax & Business Rates and Housing Benefit & Council Tax Support, and that opportunities for error, fraud or corruption are minimised. – Q4