

<b>Subject:</b>	Internal Audit Plan 2025/26 Progress Report July – September 2025	<b>Status:</b>	For Publication
<b>Report to:</b>	Audit & Accounts Committee	<b>Date:</b>	24/09/2025
<b>Report of:</b>	Head of Internal Audit (Internal Audit Service)	<b>Lead Member:</b>	Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required: No	Attached:	No
<b>Biodiversity Impact Assessment:</b>	Required: No	Attached:	No
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## 1. RECOMMENDATION

- 1.1 The Committee are asked to consider the Internal Audit report on progress to deliver the 2025/26 audit plan.

## 2. EXECUTIVE SUMMARY

- To support the Audit and Accounts Committee in fulfilling its responsibility to monitor performance against the internal audit plan.
- To consider a summary of internal audit activity and the level of assurance it gives over the Council's governance, risk management and internal control arrangements.

## 3. BACKGROUND

In the context of fulfilling its responsibility to monitor the adequacy and effectiveness of the internal audit service, and to review internal audit reports, the Committee is asked to consider the assurance provided by the Internal Audit Service.

## 4. DETAILS

This paper reports progress with the delivery of each audit on the 2025/26 annual audit plan

## 5. RISK

All the issues raised and the recommendation in this report involve risk considerations as set out below: adequacy of Council management of risks in respect of the areas subject to audit.

## 6. FINANCE

Any financial implications are commented upon in the report.

## 7. LEGAL

Any legal implications are commented upon in the report.

## 8. POLICY AND EQUALITIES IMPLICATIONS

Reported findings have been discussed and agreed, including management responses to the recommendations, with respective Service Managers and Heads of Service prior to reporting.

## 9. REASON FOR DECISION

To support the Audit and Accounts Committee in fulfilling its responsibility to monitor Internal Audit performance.

No background papers.

## **Appendix A**

**Rossendale Borough Council**

**Internal Audit Service**

**Progress Report:**

**2025/26 Audit Plan Delivery Q3 July – September 2025**



## 1 Introduction

### Purpose of this report

- 1.1 This report supports Audit and Accounts Committee's responsibility under its terms of reference to consider performance reports from Internal Audit on progress with delivery of the 2025/26 audit plan agreed at the July 2025 Committee meeting.

## 2 Summary of progress

- 2.1 The table below reports progress with delivery of the 15 audits on the 2025/26 audit plan and completion of the 2024/25 audit plan.

### 2024/25 Annual Audit Plan

- 2.2 The two outstanding audits have now been completed. We gave Reasonable assurance over arrangements to administer freedom of information (FoI) and subject access requests (SARs). Overall, a sound governance framework is in place, with clear roles, legal oversight, and staff training. However, procedural documents including the FOI Publication Scheme, officer contact lists, and process maps require urgent updates to reflect current practices. While cases are generally well-handled, delays in redirecting requests and lack of escalation procedures risk statutory breaches. Performance reporting is regular but needs validation prior to publication, and training attendance should be tracked and materials made accessible.
- 2.3 Salford Technical Audit Service delivers our IT audits and their audit of the Payment Card Industry Data Security Standards (PCI DSS) compliance framework has been issued in draft. Managers are considering their response to a number of recommendations raised and we will report the outcome to the Committee when a final report has been agreed.

### 2025/26 Annual Audit Plan

- 2.4 While we have not yet completed an audit on this year's plan, we are actively progressing three and are at the planning stage for a further four. The remainder of the audits are due to start in Quarter 4. The table below shows at which stage audits are in the audit process.
- 2.5 Early in the financial year several members of the audit team left the Service. In response, we reviewed and redesigned the Service structure to ensure the right resources are in place at the appropriate levels. This will build capacity through the recruitment of new trainees and auditors, to support the Service's long-term sustainability. We have recently appointed one auditor and two trainee auditors, and are recruiting to fill four vacancies.
- 2.6 We have included extracts from the finalised audit reports in Annex 1 to this report.

Control Area	Audit Progress	Assurance
<b>Governance and democratic oversight</b>		
LGA Improvement and Assurance Framework	Q4 Start	
Rossendale Leisure Trust	Q4 start	
<b>Business effectiveness</b>		
Capital Programme	Q4 start	
Contract management	Q4 start	
Cyber Security - Outsourced Data Centre Physical Security and Environmental Controls	Planning	
<b>Service delivery</b>		
Asset management	Progressing	

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<b>Service support</b>		
Data management	Progressing	
<b>Business processes</b>		
Council tax	Planning	
Business rates/ NNDR	Planning	
Housing benefits	Planning	
Payroll	Progressing	
Accounts payable	Q4 start	
Accounts receivable	Q4 start	
General ledger and budget setting	Q4 start	
Income collection/ banking	Q4 start	

Stage of audit process	Number of audits
Not started	8
Planning	4
Progressing	3
Draft report	0
Completed - Final Report or no report necessary	0
Deferred/ cancelled	0
Total number of audits	15

### 3 Update on the National Fraud Initiative (NFI)

- 3.1 The most recent results from the council's involvement in the National Fraud Initiative NFI are shown below.

Category of data	Number of matches				Frauds	Errors	Savings identified
	identified	processed	cleared	investigating			
Housing Benefit	14	14	14	0	2	0	£26,926.13
Payroll	9	0	0	0	0	0	£0.00
Waiting Lists	84	0	0	0	0	0	£0.00
Council Tax Reduction	255	117	117	34	23	23	£5,603.05
Creditors	385	0	0	0	0	0	£0.00
Procurement	8	0	0	0	0	0	£0.00
<b>Totals</b>	<b>775</b>	<b>131</b>	<b>131</b>	<b>34</b>	<b>25</b>	<b>23</b>	<b>£32,529.18</b>

## **4 Use of this report**

- 4.1 This report has been prepared solely for the use of Rossendale Borough Council and it would therefore not be appropriate for it or extracts from it to be made available to third parties other than the external auditors. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it and we expect the external auditors to determine for themselves the extent to which they choose to utilise our work.

## Extracts from Final Internal Audit reports

### Freedom of Information and Subject Access Requests

#### Overall assurance rating



**Reasonable assurance**

#### Audit findings requiring action

Extreme	High	Medium	Low
0	0	4	1

*See Appendix A for Rating Definitions*

Rossendale Borough Council has established a clear governance structure to administer Freedom of Information (FOI) and Subject Access Requests (SARs), with the roles of Data Protection Officer and Senior Information Risk Owner appropriately assigned to separate officers within Legal Services, ensuring both compliance and separation of duties. All staff have completed mandatory information governance training and have access to legal support as Information Governance responsibilities are handled on a departmental basis. Guidance from the Information Commissioners Office website and Legal Services supports officers in processing FOI and SARs, and recent updates to the Retention and Disposal Policy reflect a commitment to data management. However, several key documents, including the FOI Publication Scheme, officer contact lists, and process maps, are outdated and require timely updates to ensure continuity and consistency. Training materials are relevant and comprehensive, but attendance records are not maintained and materials are not currently openly available to staff. Future sessions should be tracked and materials should be made readily available to ensure all relevant staff are equipped to meet legislative requirements.

Freedom of Information and Subject Access Requests were generally well-classified and appropriately redirected. However, there were delays in a couple of cases and the staff contact list used to allocate requests needs updated to ensure cases progress promptly. Exemptions applied to FOI responses were largely appropriate and legally justified, with only one overturned following ICO involvement. SARs were handled in line with identification requirements, and redactions were carefully reviewed and secured by legal services. No vexatious or excessive requests were identified, and legal oversight was consistently applied to ensure compliance with legislation.

The Council maintains a well-structured system for managing FOI and SARs through a central database and organised documentation, supporting secure and efficient processing. While the average response time of 19 days meets statutory requirements, delays in redirecting requests pose a risk to compliance and reputation. Weekly reports to senior management help monitor outstanding requests, but review requests are inconsistently tracked and often delayed, with some responses exceeding statutory limits by significant margins. The lack of formal escalation procedures limits the Council's ability to address delays and improve performance. Enhancing oversight and implementing targeted follow-up processes would strengthen accountability and ensure more consistent adherence to statutory deadlines.

Oversight of FOI and SAR performance is supported by regular reporting and public transparency. Weekly reports to managers generally include all relevant requests, but a lack of escalation for overdue cases limit their effectiveness. Quarterly performance is reviewed at senior management level, and one KPI is reported to committee; however, discrepancies between reported and actual figures highlight the need for more accurate data reporting. Public-facing information on the Council's website is comprehensive and up to date, including guidance on submitting requests and relevant policies. Nonetheless, the FOI Publication Scheme remains outdated and should be revised to ensure full transparency and compliance.

Agreed recommendations from the audit	Reference	Priority
Ensure all procedure documents held by Corporate Services are updated to reflect current legislation, staffing changes and new processes for administering FOI and SARs, escalating overdue requests and the handling of reviews. These documents should be made available to all relevant persons. Update the Freedom of Information Publication Scheme and ensure this is uploaded to the council website.	4.1	●
Establish a means of escalation for urgent or overdue requests and ensure reviews are included in weekly reports and future escalation. Include these new processes in updated procedure documents.	4.2	●
Ensure there are the processes in place and staff resources to monitor the dedicated FOI inbox daily and distribute all requests promptly.	4.3	●
Ensure that performance data reported to the Corporate Management Team and included in the Performance Management report is reconciled and validated prior to publication, with a clear audit trail of data sources and calculations, to maintain the accuracy and integrity of performance reporting.	4.4	●
Establish a record of attendance for future training sessions, include FOI and SARs training in inductions for all relevant staff and make training materials available to staff on the council shared drive until the intranet is reintroduced.	4.5	●

## 2.1 Background

This audit has been undertaken in accordance with the 2024-25 Internal Audit Plan as approved by the Audit, Risk & Governance Committee. The audit covers the period 1 April 2024 to 31 March 2025 and has been conducted in conformance with the Public Sector Internal Audit Standards.

## 2.2 Context

The Freedom of Information Act allows members of the public to access information held by public authorities to promote transparency and accountability. The council has a responsibility to publish certain categories of information routinely, and to disclose information when a request is made within the statutory timeframe of 20 working days. Information may be withheld if an appropriate exemption can be applied. General Data Protection Regulations allow individuals the right to access personal data held by an organisation through Subject Access Requests. The council has an obligation to respond to such requests within one month. Requestors have the facility to apply for an internal review if they are unhappy with the response from the council. The Information Commissioner's Office (ICO) recommends reviews should be completed within 20 working days. If, after going through the internal review procedure, the requestor is still dissatisfied with the response then they can make a complaint to the ICO. Freedom of Information and Subject Access Requests received by Rossendale Borough Council are administered and responded to by Corporate Support with oversight and review by Legal Services. The review assessed the processes and procedures in place to ensure statutory requirements of the Freedom of Information Act 2000; the Data Protection Act 2019 and the General Data Protection Regulations 2018 were met in processing and administering FOI and SARs.

## 2.4 Previous Audit

We gave Reasonable assurance in our 2019/20 audit of Freedom of Information and Subject Access Requests.

## 2.5 Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to legislative compliance, decision making, effective processing and oversight.

### Scope, responsibilities and assurance

#### Approach

- 1 The Internal Audit Service operates in accordance with Public Sector Internal Audit Standards, 2017. The scope of internal audit work encompasses all the council's operations, resources and services including where they are provided by other organisations on its behalf.

#### Responsibilities of management and internal auditors

- 2 It is management's responsibility to maintain systems of risk management, internal control and governance. Internal audit is an element of the internal control framework assisting management in the effective discharge of its responsibilities and functions by examining and evaluating controls. Internal auditors cannot therefore be held responsible for internal control failures.
- 3 We have planned our work so that we have a reasonable expectation of detecting significant control weaknesses. We have reported all such weaknesses to management as they have become known to us, without undue delay, and have worked with management to develop proposals for remedial action.
- 4 Internal audit procedures alone do not guarantee that fraud will be detected. Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.
- 5 Internal audit's role includes assessing the adequacy of the risk management processes, key internal control systems and corporate governance arrangements put in place by management and performing testing to ensure those controls were operating effectively for the period under review.

#### Basis of our assessment

- 6 My opinion on the adequacy of control arrangements is based upon the result of internal audit work undertaken and completed during the period in accordance with the plan approved by the Audit and Accounts Committee. Sufficient, reliable and relevant evidence has been obtained to support the recommendations made.

#### Limitations to the scope of our work

- 7 Other than as set out in the audit plan for the year there have been no limitations to the scope of the audit work.

#### Limitations on the assurance that internal audit can provide

- 8 There are inherent limitations as to what can be achieved by internal control and consequently limitations to the conclusions that can be drawn from our work as internal auditors. These limitations include the possibility of faulty judgement in decision making, of breakdowns because of human error, of control activities being circumvented by the collusion of two or more people and of management overriding controls. Further, there is no certainty that internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks which may arise in the future.



- 9 Decisions made in designing internal controls inevitably involve the acceptance of some degree of risk. As the outcome of the operation of internal controls cannot be predicted with absolute assurance any assessment of internal control is judgmental.

### **Access to this report and responsibility to third parties**

- 10 This report has been prepared solely for Rossendale Borough Council. It forms part of a continuing dialogue between the Internal Audit Service, the chief executive, Audit and Accounts Committee and management of the council. It is not therefore intended to include every matter that came to our attention during each internal audit assignment.
- 11 This report may be made available to other parties, such as the external auditors. However, no responsibility is accepted to any third party who may receive this report for any reliance that may be placed on it and, in particular, the external auditors must determine the reliance placed on the work of the Internal Audit Service.

### Audit assurance and residual risks

Note that our assurance may address the adequacy of the control framework's design, the effectiveness of the controls in operation, or both. The wording below addresses all these options and we will refer in our reports to the assurance applicable to the scope of the work we have undertaken.

- **Substantial assurance:** the framework of control is adequately designed and/or effectively operated.
- **Moderate assurance:** the framework of control is adequately designed and/or effectively operated overall, but some action is required to enhance aspects of it and/or ensure that it is effectively operated throughout.
- **Limited assurance:** there are some significant weaknesses in the design and/or operation of the framework of control that put the achievement of its objectives at risk.
- **No assurance:** there are some fundamental weaknesses in the design and/or operation of the framework of control that could result in failure to achieve its objectives.

### Classification of residual risks requiring management action

All actions agreed with management are stated in terms of the residual risk they are designed to mitigate.

- **Extreme residual risk:** critical and urgent in that failure to address the risk could lead to one or more of the following: catastrophic loss of the county council's services, loss of life, significant environmental damage or significant financial loss, with related national press coverage and substantial damage to the council's reputation. *Remedial action must be taken immediately*
- **High residual risk:** critical in that failure to address the issue or progress the work would lead to one or more of the following: failure to achieve organisational objectives, significant disruption to the council's business or to users of its services, significant financial loss, inefficient use of resources, failure to comply with law or regulations, or damage to the council's reputation. *Remedial action must be taken urgently.*
- **Medium residual risk:** failure to address the issue or progress the work could impact on operational objectives and should be of concern to senior management. *Prompt specific action should be taken.*
- **Low residual risk:** matters that individually have no major impact on achieving the service's objectives, but where combined with others could give cause for concern. *Specific remedial action is desirable.*