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# **Southern Internal Audit Partnership**

Assurance through excellence  
and innovation

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## **Internal Audit Progress Report**

### **Winchester City Council – October 2025**

**Prepared by:     Antony Harvey, Deputy Head of Partnership**

## 1. Internal Audit Mandate

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

*'5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*

*(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—*

*(a) make available such documents and records; and*

*(b) supply such information and explanations*

*as are considered necessary by those conducting the internal audit.'*

The role of internal audit is best summarised through its definition within the Standards, as an:

*'An independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.'*

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

## 2. Internal Audit Standards

With effect from 1 April 2025, the 'Standards' against which internal audit within the public sector must conform are those laid down in the Global Internal Audit Standards, Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements are referred to as the Global Internal Audit Standards in the UK Public Sector.

### 3. Purpose of Report

In accordance with proper internal audit practices (Global Internal Audit Standards in the UK Public Sector), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to Senior Management and the Audit & Governance Committee, summarising:

- The monitoring of 'live' internal audit reports
- an update on progress against the annual audit plan and any subsequent revisions
- acknowledgement of any actual or perceived impairments to internal audit independence
- internal audit performance, planning and resourcing issues
- results of audit assignments and insights.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of controls in place focusing on those designed to mitigate risks to the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

#### 4. Resourcing

As Chief Internal Auditor I maintain responsibility for ensuring that there is a sufficient level of resource available, supported by an appropriate range of knowledge, skills, qualifications and experience to deliver the internal audit plan (2025-26) and in the fulfilment of the audit mandate and delivery of the internal audit strategy.

- **Human Resource** - the Southern Internal Audit Partnership has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and risk-based audit plan.
- **Financial Resource** - the Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit mandate and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.
- **Technological Resource** - the internal audit function has the technology to support the internal audit process and regularly evaluates technological resources in pursuit of opportunities to improve effectiveness and efficiency.

The Southern Internal Audit Partnership have experienced a higher-than-average level of attrition earlier in the year resulting in vacancies at auditor, senior auditor and audit manager level.

Positively, all posts at auditor and senior auditor level have now been filled with additional resource also being added to our specialist IT and data analytic teams. The advert for internal audit manager is currently live with interviews scheduled for November.

It will inevitably take a period of time to fully onboard and induct new staff. The Southern internal Audit Partnership have enacted contingency arrangements for additional support through the appointment of short-term agency staff to manage this period of onboarding.

Whilst there will be no financial impact to Winchester City Council, there may be some minor slippage in delivery of quarter 2 / 3 reviews.

I remain confident as your chief internal auditor that the 2025/26 internal audit plan will be sufficiently delivered enabling me to provide a timely Annual Conclusion.

## 5. Independence

As your chief internal auditor, I retain no roles or responsibilities that have the potential to impair my independence, either in fact or appearance. Internal auditors engaged in the delivery of the 2025-26 internal audit plan have had no direct operational responsibility or authority over any of the activities reviewed. I can confirm there has been no interference encountered relating to the scope, performance, or communication of internal audit work during the year to date in the delivery of the internal audit plan or the fulfilment of the internal audit mandate.

## 6. Impairments

There have been no impairments to internal audit activity during the year. The internal audit function has remained free from all conditions that threaten our ability to carry out responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. The internal audit team have maintained an unbiased mental attitude allowing them to perform engagements objectively enabling them to believe in their work product, with no compromise to quality, and no subordination to their judgment on audit matters, either in fact or appearance.

## 7. Rolling Work Programme

The internal audit plan for 2025-26 was originally presented to Senior Management and approved by the Audit & Governance Committee in July 2025. The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed below.

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
Strategic Planning and Performance Monitoring	CFO	06.05.25	15.05.25	22.05.25	30.06.25	10.09.25	<b>Substantial</b>	
Financial Stability – Budget Monitoring and Forecasting	CFO	17.10.25						
Health and Safety	SDP	16.10.25						
Emergency Planning	SDP							Q4
Procurement	CFO							Q4

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
Contract Management – ID Verde & Wetton	SDS	02.07.24	18.09.24	15.11.24	12.09.25			Revised draft 24.10.25
Human Resources – Use of Agency Staff and Consultants	DL	16.07.25	07.08.25	22.09.25				
Accounts Receivable / Debt Management	CFO	09.11.23	09.11.23	23.01.24				Fieldwork complete. Report due.
Accounts Payable	CFO	05.06.25	11.06.25	04.07.25	11.09.25			Draft Final issued
Payroll	CFO	21.10.25						
Council Tax	CFO	13.08.25	11.09.25	21.10.25				
Networking and Communications – Patch Management	CFO	09.12.24	09.01.25	05.02.25	08.09.25			Draft Final issued
Cyber Security – Thrive Actions Implementation	CFO	22.07.25	04.08.25	10.09.25				
Cyber Security – Data Back-up and Ransomware Protection	CFO	01.10.25	21.10.25					
Cyber-Security - User Training and Awareness	CFO							Q4
Housing Asset Management – Repairs and Maintenance	SDS	11.09.24	30.09.24	16.05.25	01.10.25			
Housing Asset Management – Housing Retrofit Programme	SDS	11.12.24	27.02.25	16.06.25	21.08.25			Draft Final issued
Housing – provision of days	SDP							Q3-4
Clean Streets Enforcement – Fly-Tipping	SDP	16.06.25	17.07.25	11.08.25	22.09.25	28.10.25	Limited	
Homelessness	SDS	14.07.25	16.10.25					
Housing Management – Leaseholder Arrangements	SDS							Q3-4
Building Control	SDP	17.06.25	10.07.25	23.07.25				Fieldwork complete. Report due.
Licencing	SDP							Q4
Play Areas / Tree Management	SDP							Q4

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
Markets	SDP							Q4
Asset Management (Corporate Estate) – Health & Safety – Follow-up	SDS	n/a	06.02.25	10.03.25	08.07.25	29.10.25	n/a	Follow-up
Bus Services Operator Grant	CFO	n/a	n/a	18.08.25	n/a	09.09.25	n/a	Grant Certified
Mayor's Charity Account	CFO	n/a	n/a	16.09.25				

Directorate Sponsor			
CX	Chief Executive	DL	Director Legal (Monitoring Officer)
SDS	Strategic Director - Services	CFO	Chief Finance Officer (\$151)
SDP	Strategic Director - Place		

## 8. Adjustments to the Internal Audit Plan 2025-26

Internal Audit focus continues to be proportionate and appropriately aligned. The plan remains fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, Senior Management, and the Audit & Governance Committee, to ensure internal audit are able to react to new and emerging risks and the changing needs of the Council.

Such amendments to the 2025-26 internal audit plan are detailed below with explanations for the proposed amendments.

Additions	Audit Review	Reason for inclusion in the plan
	None	Not applicable
Withdrawals	Audit Review	Reason for removal from the plan
	None	Not applicable





## 9. Acceptance of Risk

Internal audit reporting protocols are in place to ensure that the scope of work and findings for all assignments are reported appropriately and that agreed management actions are approved by senior management.

Every effort will be made to resolve disagreements that may arise during the audit process. However, if, unresolved issues are considered by internal audit to fall outside of the Council's risk tolerance, these will be escalated to Senior Management and the Audit & Governance Committee as deemed necessary.

There are no such instances to report from our delivery of the 2025–26 internal audit plan to date.

## 10. Executive Summaries of reports published concluding a 'Limited' or 'No' assurance opinion

Title: Clean Streets Enforcement – Fly-tipping		
Audit Sponsor	Assurance opinion	Management Actions
Strategic Director - Place	 Limited	 1 High  2 Medium  3 Low
<b>Summary of key observations:</b>  Fly-tipping enforcement is focused on prosecutions to deter future incidents. However, this focus is not formally set out in a strategy for the service. Relevant legislation, including the Police and Criminal Evidence Act 1984 (PACE) provides guidance for investigations. Although procedures were produced in 2020, setting out the process and requirements of investigative and operational work, these have not been reviewed and updated since.  Fly-tipping incidents are assigned unique identifying references when the original incident is reported through MCS (My Council Services). These references can be traced through to investigation records. However, there is no single record showing the current status of all investigations, making effective performance monitoring and management oversight more difficult. There is reliance on one officer to manage the clearance and investigation of incidents, and there are no defined arrangements to provide continuity of service in their absence. Internal Audit was unable to establish the access		



permissions to the investigation files stored in the S-Drive, therefore could not confirm that access to records was appropriately restricted and controlled, preventing unauthorised persons accessing sensitive records.

Where investigations result in sufficient evidence to pursue a prosecution an instruction to prosecute will be produced. Current working arrangements for approving these require Senior Officer then Legal Services sign-off. This facilitates a review of the case including the investigation and evidence collected. Internal Audit reviewed these records for 2025/26 to date and confirmed this was in place for the two cases that have proceeded to prosecution. However, the current working arrangements for prosecution decisions do not align with the Council's 2017 Regulatory Services Enforcement Policy, which sets out a panel decision making approach which had historically been used for fly-tipping.

Fly-tipping responsibilities relating to the identification, reporting and clearance of fly tip sites, including targets for removal, depending upon site size, are clearly defined in the agreement between the Council and IDVerde. Fly-tipping KPIs, which include the number of reported fly-tips and percentage of fly-tips cleared within contract deadlines, are regularly reported to Cabinet and the Scrutiny Committee as part of quarterly Finance & Performance reports. Additional statistics on the performance of the service, including the status and results of enforcement action, are collected monthly and reported to the Performance and Capital (PAC) Board. There is a robust process in place for reporting fly-tipping data to DEFRA (the Department for Environment, Food & Rural Affairs) via the Waste Data Flow system. This data is reported as required under the 1990 Environmental Protection Act.

To address the issues identified, agreed actions for implementation by the end of March 2026 include; to create a formal strategy and associated guidance documents to formalise the expectations of the service; to update process documents and process maps to allow other officers to provide cover thereby increasing resilience; and to create a central record to capture all cases so these can easily be managed and monitored.

## 11. Analysis of 'Live Audit Reviews'

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions											
				Agreed			Pending			Complete			Overdue		
				L	M	H	L	M	H	L	M	H	L	M	H
New Homes Programme	08.07.2024	SDP	Substantial	-	-	1	-	-	-	-	-	-	-	-	1
Tree Management	24.10.2024	SDP	Limited	2	5	3	1	-	-	1	5	3	-	-	-
Information Governance – Records Management and Retention	06.05.2025	DL	Reasonable	-	3	-	-	1	-	-	2	-	-	-	-
Disabled Facilities Grants	27.05.2025	SDS	Reasonable	-	12	-	-	11	-	-	1	-	-	-	-
Developer Contributions	11.07.2025	SDS	Limited	-	16	2	-	16	-	-	-	2	-	-	-
Housing Company	01.09.2025	SDS	Reasonable	-	1	-	-	-	-	-	-	-	-	1	-
Clean Streets Enforcement – Fly-Tipping	28.10.2025	SDP	Limited	3	2	1	3	2	1	-	-	-	-	-	-
<b>Total</b>				<b>5</b>	<b>39</b>	<b>7</b>	<b>4</b>	<b>30</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>1</b>

The management team have provided confirmation that since the previous update to the Committee (July 2025), all actions have been completed in respect of five previous audit review areas and are therefore no longer included within the table above. The respective review areas and report dates are:-

- Human Resources – Policies and Procedures (July 2023);
- Human Resources – Recruitment (June 2024); Green Economic Development Strategy and Action Plan (July 2024);
- Environmental Health - Food Safety (Sept 2024);
- Corporate Governance Framework (Feb 2025); and
- Strategic Planning and Performance Monitoring (Sept 2025).

## Annexe 1

## Overdue 'High Priority' Management Action

New Homes Programme - Substantial			
<b>Observation:</b> We confirmed that the Housing Development Strategy 2021-2030 was approved by Cabinet on 10 March 2021. The strategy has a section entitled "Review" which states that "This development strategy will be reviewed annually so that it is responsive to the changing environment and changing local needs". Review of Cabinet minutes found no evidence of an annual review / refresh of the strategy as required and as happens with the Council Plan 2020-2025.			
<b>Risk:</b> The strategy may not fully reflect the current situation as a result of the changing environment and changing local needs.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
The Housing Strategy (adopted 2023) sets a revised objective of reviewing the development strategy in 2024/25. The macro-economic situation has dramatically impacted on delivery plans (inflation, borrowing costs, material and labour availability). Work on revision of the strategy has commenced (evidence includes a revision in the blend of directly commissioned new-build and off the shelf new-build acquisitions agreed as part of the latest HRA Business Plan) and approach to implementation varied as a consequence. It is important to take account of all available evidence and the horizon scanned in order to finalise the strategy. Fundamental to this is the financial gateway review (see 1.1 above – due to be completed July 24), to understand developer response to off the shelf purchase offers (offers are recent and responses are starting to come back), a re-tender of the Woodman Close project (due to report Oct 24), energy standards review (Oct 24) and to review the impact of the post General Election Government/Homes England housing & planning policy/investment strategy. A new service lead is due to start in September and it is important that they have ownership of the new strategy. Finally, the HRA Business Plan will be reviewed later this year and it is critical that the a review of	31.03.25	19.11.25	The Housing Development Strategy, which now includes a new section on Rural Strategy, is currently under review. Due to staff resource constraints and a high volume of ongoing projects, the updated draft strategy will be presented to the Cabinet Committee: Housing 19 <sup>th</sup> November 2025 for approval.

that and the development strategy are done concurrently. Consequently, a review of the development strategy is planned for Q3/Q4 2024/25.			
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## Annexe 2

## Overdue 'Low &amp; Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
Housing Company	01.09.2025	Reasonable		1	30.09.2025	27.02.2026
Total			0	1		

## Annexe 3

## Southern Internal Audit Partnership - Performance Measures

Performance Measure	Regularity	Target	Actual 25-26	Status	Direction of Travel
<b>1. Percentage of the agreed audit plan completed (issue of draft / final report)</b>	Ongoing	90%	32%		n/a
<b>2. Audits delivered within agreed timescales (% year to date)</b>					
○ To issue of draft report	Ongoing	80%	22%		n/a
○ To issue of final report	Ongoing	80%	25%		n/a
<b>3. Conformance with the Global Internal Audit Standards in the UK Public Sector</b>	Annual	Conforms	Conforms*		
<b>4. Audits conducted optimising the effective use of data analytics (% year to date)</b>	Ongoing	60%	44%		n/a
<b>5. Stakeholder satisfaction (annual survey)</b>					
○ Audit Committee	Annual	90%	100%		
○ Senior Management		90%	100%		n/a
○ Key Contacts		90%	98%		
<b>6. Internal audit effectively communicates with key stakeholders</b>					
○ Audit Committee	Annual	90%	100%		n/a
○ Senior Management		90%	100%		n/a
○ Key Contacts		90%	100%		n/a
<b>7. Sufficiency of input to and discussion of the internal audit plan</b>					
○ Audit Committee	Annual	90%	100%		n/a
○ Senior Management		90%	100%		n/a
<b>8. Appropriate focus on key risks</b>					
○ Audit Committee	Annual	90%	100%		n/a
○ Senior Management		90%	100%		n/a
○ Key Contacts		90%	100%		n/a

\* Any external quality assessment undertaken under the Public Sector Internal Audit Standards remains valid for the duration of the successive five years (from the date it was undertaken). The Southern Internal Audit Partnership will be commissioning an external quality assessment against the Global Internal Audit Standards in the UK Public Sector during 2025.