



# **Rotherham Metropolitan Borough Council**

## **Internal Audit Annual Report 2025/26**

# 1. Introduction

## 1.1 Objectives of the Report

1.1.1 The objectives of this report are:

- To provide a summary of the Internal Audit work undertaken during the financial year 2025/26 and the key issues that have arisen from it.
- To present the opinion of the Head of Internal Audit on the adequacy and effectiveness of the Council's control environment, risk management and governance arrangements, which supports the Council's Annual Governance Statement (AGS).
- To provide information regarding the performance of the Internal Audit function during the 2025/26 year.

1.1.2 This report is presented to the Audit Committee to enable the Committee to fulfil its responsibility for overseeing the work of Internal Audit.

## 1.2 Legislation Surrounding Internal Audit

1.2.1 The provision of Internal Audit is a statutory requirement for all local authorities that for the period under consideration is set out in the Accounts and Audit (England) Regulations 2015. These state:

*“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.”*

1.2.2 Internal Audit also has an important role in helping the Council to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are that:

*“each local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”.*

## 1.3 Professional Standards

1.3.1 Internal Audit within the public sector in the UK is governed by the Global Internal Audit Standards (GIAS) in the UK Public Sector. These standards were mandated from the 1 April 2025 and include the GIAS, the 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.

1.3.2 The Standards require the Head of Internal Audit to develop a Quality Assurance and Improvement Programme (QAIP) designed to enable an evaluation of Internal Audit's conformance with the Standards. The QAIP must include both internal and external assessments. External assessments must be completed at least every five years. Internal assessments must include:

- Ongoing monitoring of the performance of the Internal Audit activity; and
- Periodic self-assessments

1.3.3 An external assessment was undertaken during November and December 2025 with the results reported to the Audit Committee in March 2026. The Internal Audit Service was assessed as “Generally Conforming” to the Global Internal Audit Standards (UK Public Sector). The assessment resulted in an Action Plan. The QAIP now includes the outstanding actions from previous internal assessments and those from the external assessment.

1.3.4 Generally conforms is defined as follows;

Level of Conformity	Description	Commentary
<p><b>Generally conforms</b></p>	<p>Across all Domains, the internal audit function conforms with the standards with only minor deviations.</p> <p>The relevant structures, policies and procedures of the internal audit service, as well as the processes by which they are applied, meet the requirements of the individual standards.</p> <p>Overall, there is general conformance to the Global Internal Audit Standards in the UK Public Sector.</p>	<p>An internal audit function that generally conforms to the Global Internal Audit Standards in the UK Public Sector provides a high level of assurance to senior management and the audit committee of a highly professional service. Quality and professionalism are firmly embedded within the function.</p> <p>This conclusion <u>evidences</u> that internal audit is effective for the authority’s annual governance statement. (Applicable for local government bodies only.)</p>

1.3.5 Ongoing monitoring of performance is in place. The quality of audit work is ensured using an audit manual, ongoing supervision and management of staff and the review of all audit work. Performance targets are set, and actual performance is reported regularly to the Audit Committee.

## 1.4 The Definition and Role of Internal Audit

1.4.1 The definition of Internal Auditing in GIAS is as follows:

*Internal Auditing is 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.*

1.4.2 The role and responsibilities of the Rotherham MBC Internal Audit Service are outlined in the Internal Audit Charter. This was revised during March 2026 to reflect the outcome of the external assessment and was approved by the Audit Committee. It specifies the independence, authority, scope of work and reporting arrangements. All audit work is carried out in accordance with the contents of the Charter.

1.4.3 The role of Internal Audit is to provide an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the framework of internal control, risk management and governance. Internal Audit is, therefore, a key part of the RMBC assurance cycle and one of the sources of assurance available to the Council and Audit Committee, which assists the Council to prepare the Annual Governance Statement.

## **1.5 Assurance**

1.5.1 In giving the opinion on the framework of internal control, risk management and governance, it should be noted that assurance can never be absolute. The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all weaknesses that exist, or of all the improvements that may be required.

## **1.6 Independence**

1.6.1 The Council's Internal Audit Service is an appraisal and advisory function having independent status within the Council.

1.6.2 During 2025/26 the Head of Internal Audit carried out some wider organisational duties that might be considered to conflict with the purely independent role of Internal Audit.

1.6.3 The Head of Internal Audit is a member of the Corporate Governance Group, tasked with the production of the Annual Governance Statement. The Annual Governance Statement is prepared by the Policy, Improvement and Risk Manager who is a member of this group.

1.6.4 The Head of Internal Audit is a Whistleblowing Officer, responsible with the Executive Director of Corporate Services, the Service Director HR and OD and the Head of Legal Services for the Whistleblowing Policy and procedures. Decision making on cases is not solely made by the Head of Internal Audit. There is a further assurance mechanism for whistleblowing in that all cases are discussed at a quarterly Statutory Officers meeting (which includes the CEX, S151 and Monitoring Officer) which provides an element of challenge and assurance regarding work being undertaken by Internal Audit. In addition, the Head of Legal reports the whistleblowing cases to the Standards and Ethics Committee.

1.6.5 The Head of Internal Audit also manages the Council's counter fraud arrangements. This includes responsibility for the Anti-Fraud and Corruption Policy and Strategy, the Anti-Money Laundering Policy, responsibility for fraud or corruption investigations and provision of counter fraud training and communications. The scope of any investigation relating to fraud and corruption is discussed and agreed by the S151 Officer. The fraud investigation reports are shared at draft stage with the S151 Officer for review and assurance regarding the work undertaken. The Anti-Fraud and Corruption Policy and Strategy and arrangements are reviewed by a member of the Internal Audit team, who then report the results/updates to the Head of Internal Audit. The

Head of Internal Audit is then responsible for presenting these to the Audit Committee.

1.6.6 A review of the Whistleblowing and Anti- Fraud and Corruption arrangements by another local authority, to satisfy the action raised in the CIPFA external assessment regarding the independence requirements of GIAS (UK Public Sector) will be undertaken during 2026/27.

1.6.7 There have been no limitations on the scope of Internal Audit coverage during the year.

## **2. Internal Audit Assurance for 2025/26**

### **2.1 Internal Audit Opinion**

2.1.1 For the year ending 31 March 2026, based on the work undertaken, the opinion of the Head of Internal Audit is that Rotherham Metropolitan Borough Council had overall an adequate and effective framework of governance, risk management and control.

2.1.2 There has been a reduction in the number of audit reports with partial/no assurance opinions from last year. Management continues to proactively seek audit assurance where concerns exist. The findings and recommendations from the audits have been agreed with senior management and robust action plans put in place to address the weaknesses found. Whilst these partial assurance opinions have identified weaknesses in the control environment or compliance with controls, these weaknesses are not material enough to have a significant impact on the overall opinion on the adequacy of the Council's governance, risk management and control arrangements at the year end. The work undertaken during the year has clearly focused on the key risk areas of the Council and was targeted to specific areas of concern.

### **2.2 Scope of the Opinion**

2.2.1 In arriving at that opinion, the following has been considered:

- The results of all internal audits undertaken during the year (see **Appendix B** for a summary of audits and recommendations by directorate, and **Appendix C** for all audit reports issued during the year)
- The results of internal audits that are currently at draft report stage
- The results of follow up action taken in respect of audits from previous years
- The appropriateness of the proposed action by management to address control weaknesses and consequent risks
- Matters arising from previous reports or other assurance providers to the Audit Committee and / or the Council
- No limitations having been placed on the scope of Internal Audit
- No resource constraints having been imposed on Internal Audit which may have impacted on the ability to meet the full audit needs of the Council; and

- Where weaknesses have been identified, the action plans in place to address those weaknesses.
- Management assurance through the Annual Governance Statement process
- External inspections and audits received during the year
- Risk management review and insight through close liaison with the Policy, Improvement and Risk Manager
- Regular liaison with senior management including attendance at DLT's and SLT.

## 2.3 The Basis of the Opinion

In reaching this opinion the following factors were taken into particular consideration:-

### Governance

2.3.1 The Council's governance framework comprises a range of policies, procedures and processes. At the highest level this includes the Council Plan and the Year Ahead Delivery Plan. They are supported by a range of policies and strategies to ensure that governance is applied throughout the Council.

2.3.2 Many of the audits undertaken during the year touched on the implementation of and compliance with the Council's policies and strategies.

2.3.3 A Corporate Governance Group operated during the year, comprising the Policy Improvement and Risk Manager and the Head of Internal Audit, the Executive Director of Corporate Services (S151) and the Service Director Legal Services (Monitoring Officer). In May 2025 an addendum to the CIPFA/SOLACE Delivering Good Governance in Local Government Framework was published. The Council's Code of Corporate Governance was updated in alignment with the addendum and was received by the Audit Committee in September 2025.

2.3.4 The Group has the following roles:

- Have oversight of the Code of Corporate Governance, including its implementation, review and revision on at least an annual basis
- Coordinate the production of the Annual Governance Statement and the assurances needed to underpin it
- Review the progress being made to address the issues reported in the previous year's Annual Governance Statement
- Ensure that recommendations from external bodies are appropriately followed up and reported to the Audit Committee
- Be responsible for responding to any ad hoc governance issues as required.

2.3.5 The Policy, Improvement and Risk Manager has prepared and drafted the Annual Governance Statement. To do so the group issued corporate governance self-assessment questionnaires to Service Directors and asked for Statements of Assurance from Service Directors, Executive Directors and

Statutory Officers. This process provided an opportunity for senior officers to consider the effectiveness of governance arrangements. The Statement explains how RMBC complies with its own Code of Corporate Governance, in line with the seven principles from CIPFA/SOLACE.

## Risk Management

2.3.6 Risk management has been maintained throughout the year. There is a hierarchy of risk registers dealing with strategic and operational risks at SLT, DLT and service level. These are regularly reviewed, discussed and amended to ensure they remain up to date. Risks are escalated to the strategic level as necessary. The Audit Committee reviewed the strategic risk register in July 2025 and January 2026, and Directorate risk registers on a rolling basis throughout the year. Each audit thoroughly evaluates the risks and mitigating actions included in the risk register (as relevant to the audit) as part of the audit process. An audit of the risk management process within Regeneration and Environment was undertaken during the year, which gave a 'Reasonable' assurance opinion. The corporate guidance on Risk Management was being adhered to, and lower priority recommendations were raised to enhance the current processes.

## Internal Control

2.3.7 The opinion on the Council's control environment is based on Internal Audit's assessment of whether the controls in place, in the services and functions subject to audit, support the achievement of the Council's objectives, as set out in the 2025/26 Annual Audit Plan and the individual audit reports issued.

2.3.8 Audits were carried out in all areas of the Council during the year. The overall level of control found in audits was good (88% of reports issued were Substantial or Reasonable assurance). The proportion of partial opinions reduced during 2025/26 as compared to 2024/25 as illustrated in the table below.

	ACX (PSE)	ACHPH	CYPS	F&CS (CORP)	R&E	C r o s s	Total 2025/26	Total 2024/25
Substantial	2	4	2	3	2	1	14	10
Reasonable	1	5	6	7	7	2	28	16
Partial	1	0	2	1	2	0	6	11
No	0	0	0	0	0	0	0	1
<b>Total</b>	<b>4</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>3</b>	<b>48</b>	<b>38</b>

2.3.9 There were **six** partial assurance audit opinions in the year as follows:-

### Childrens and Young People's Services

- Schools assurance (Establishment)
- S17 Payments and reduction in cash payment project

### **Corporate Services (F&CS)**

- Riverside House Building Security and ID Badge controls

### **Policy, Strategy and Engagement**

- Contract monitoring and Social Value

### **Regeneration and Environment**

- Home to School Transport
- Highways Structures

In the cases where partial audit opinions are issued, service management attend the Audit Committee to update on actions taken following the audit.

2.3.10 During 2025/26, 197 recommendations (210 in 2024/25) were made to improve the internal control, risk management and governance arrangements across the Council. Of these, 17 were in the highest category (red) (32 in 2024/25).

### ***Themes Identified***

#### ***Property and Facilities Services***

2.3.11 Work has continued during the year to improve health and safety and statutory compliance across the Council's estate. This is borne out through the results of lift servicing compliance (corporate landlord properties) and asbestos management audits (substantial and reasonable audit opinions).

2.3.12 The audit of Riverside House Building Security and ID Cards resulted in a partial opinion, however it is important to note that this audit was requested as there were some concerns in this area.

2.3.13 A follow up audit on Asset management estimates and capital programme resulted in an improved opinion. Work had been undertaken by the service with procedural updates and associated new documentation, however full implementation across the Building Design Team and their clients was still in progress. The new processes at the time of the audit had only been trialled with newer projects whose clients have more project management experience. A recommendation was raised to roll out the new procedures and documentation including the provision of training, to all clients.

#### ***Housing Services***

2.3.14 The service has enhanced compliance across key health and safety areas as evidenced through the audit reviews undertaken. Follow up reviews during the year on water safety (Legionella) and smoke and carbon monoxide showed improved assurance outcomes. Audits of fire safety and asbestos received substantial assurance, while lift servicing received a reasonable opinion rating.

These results demonstrate the strong progress made in strengthening both control and compliance arrangements.

### ***Contract management and social value***

- 2.3.15 The findings from the directorate audits found that contract management over £100k and over £4m and procurement of goods/works/services below £100k was largely effective with some minor exceptions. The main finding was the lack of monitoring of social value delivery which has been evidenced through the number of services across the Council not achieving the full social value commitment. The Policy, Strategy and Engagement Directorate are responsible for the Social Value Policy and the Annual Social Value Report and the recommendations raised in this report should help to ensure central oversight, monitoring and reporting of social value achievement.
- 2.3.16 Graphical representations of the audit reports issued and number of recommendations (and priority) by directorate are given in **Appendix B**. **Appendix C** is a list of the audit reports issued during the year. **Appendix D** includes the definitions of the assurance levels and recommendation categories.

## **2.4 Other evidence taken into account for the annual audit opinion**

- 2.4.1 In forming the opinion, the findings from external reviews of the Council's activities are also considered. The Policy, Improvement and Risk Manager presents a six-monthly report that details recent and current external audits and inspections, including the details of arrangements that are in place regarding the accountability and governance for implementing recommendations arising from these. Reports were submitted to Audit Committee in July 2025 and January 2026. The following areas have contributed to the annual opinion: -
- 2.4.2 In November 2025 **Ofsted** conducted a short inspection to assess whether local authorities previously rated good or outstanding have maintained high standards in **children's services**. The overall assessment was "Outstanding" and extracts are below.

"Since the last inspection in 2022, services for children, young people and families in Rotherham have improved further, driven by a confident leadership team with strong corporate and political backing. This united commitment has placed children's experiences and their voices at the heart of strategic improvement. Progress is evident across all areas of social work practice.

Children in need of help and protection, and those in care, now benefit from an outstanding service delivered by a stable, highly skilled workforce. Practitioners know their children well, advocate fiercely for them, and build relationships that promote safety and belonging.

Further investment in the early help and family help model is enabling more

children to remain safely within their family networks with timely, targeted support that is making a measurable difference to their lives. Senior leaders' ambition for their care leavers has grown significantly. Decisive action has been taken to strengthen pathway planning, embed relational support, and promote opportunities for safe independence when care leavers are ready.

While some variability remains, the leadership team is actively addressing this, ensuring that every young person is well prepared and supported for adulthood and where every decision is made with their futures in mind. The areas for improvement were the quality of pathway plans for care leavers, and the quality of health history information provided to care leavers.”

**2.4.3 A Care Quality Commission inspection of adult social care** was undertaken in July 2025 and reported in March 2026. This reported that the service was delivering a “Good” standard of care and support to Rotherham residents.

**2.4.4** The report stated that “there was a broad range of early intervention services in place, with practical support to improve people’s wellbeing, offered through the Supporting Independence Team. This early intervention sought to direct people to draw on community resources and maintain independence for longer.

The Complex Lives Team offered trauma informed support for people who needed preventative and risk management support. This team provided a holistic, person centred service for people experiencing multiple challenges including histories of trauma, homelessness, drug and alcohol misuse and offending behaviour. Support was available to people who did not meet the eligibility criteria for support under the Care Act.

Assessments were strength based and person centred, considering a whole family approach, however there were some waits for people to receive an assessment.

Unplanned and annual reviews showed waits for people, which meant the local authority were not fully appraised of a service meeting needs in a strength-based person centred way. However, people were prioritised on risk to ensure those most in need received timely support.

The local authority had opportunities to strengthen its approach to co-production to create meaningful partnerships with people and communities. Outcomes for unpaid carers had the opportunity to improve with closer partnership working. Section 75 agreements and the use of the Better Care Fund provided opportunities for joined up, system working. There was a strong use of enablement, equipment and telecare to maximise independence.

Safeguarding was everyone's business, with a strong emphasis on the Making Safeguarding Personal principles. Support was available 24/7 and there was a strong focus on partnership working to keep people safe. People were supported to grow and thrive through the employment service which was redesigned with people through co production activities.

People experienced safe transitions between services, for example between Children's to Adults services and through hospital discharge activity. Staff were co-located to reduce the number of teams people were referred to, improving communication and outcomes.

Rotherham staff and leaders knew its community well. Staff felt connected to the leadership team. They were encouraged to share ideas and innovation as systems changed to improve processes and outcomes for people. Staff were nurtured to thrive in a positive and encouraging culture with opportunities to develop careers led by compassionate and available leaders. The local authority sought to improve by gaining feedback from peer reviews and audits of performance.

- 2.4.5 **Grant Thornton signed off the 2024/25 accounts with an unqualified opinion.** The **Annual Report** which included the Value For Money arrangements raised two significant findings. It was acknowledged that steps have been taken and are continuing regarding HRA housing compliance, and a recommendation was raised to continue to build on improvements already made and ensure that the stock condition survey progresses as planned. The report also acknowledged that the Council is working to progress a previous recommendation surrounding asset data and building compliance. A recommendation to continue to strengthen arrangements and ensure that stock condition surveys progress sufficiently was raised.

## 3. Review of the Service

### 3.1 Resources

- 3.1.1 There has been one staffing change during the year, where an experienced member of the team retired. This post has proven difficult to recruit to and is currently vacant. During 2025/26 this has had a minor impact on the number of days performed.
- 3.1.2 The audit plan was delivered by the in-house team except for two specialised IT audits delivered by an external provider.
- 3.1.3 The Internal Audit team comprises 6.93 FTEs. The table below shows the number of years of audit experience.

<b>Years of experience in local government auditing</b>	<b>FTE at 31/03/26</b>	<b>FTE at 31/03/25</b>
Less than 1 year	0	0
1-5 years	1	1
6-10 years	0	0
Over 10 years	5.93	6.53
<b>Total FTE</b>	<b>6.93</b>	<b>7.53</b>

3.1.4 It is the opinion of the Head of Internal Audit that resource levels throughout the year provided sufficient capacity to provide an adequate level of assurance to the Audit Committee and the Executive Director of Corporate Services. Sufficient work was completed during 2025/26 to enable the Head of Internal Audit to provide her overall opinion.

### **3.2 Proficiency and due professional care**

3.2.1 Proficiency and due professional care are a key requirement of the GIAS (UK Public Sector). All Internal Auditors have a personal responsibility to undertake a programme of Continuing Professional Development (CPD) to maintain and develop their competence. Time is allocated within the audit plan for CPD, training and personal development to be undertaken throughout the year to continuously improve the knowledge and skills within the Internal Audit section.

3.2.2 All members of the Internal Audit team are professionally qualified, and the table above demonstrates that there is also a high level of local government auditing experience within the team.

### **3.3 Audit Plan**

3.3.1 The audit plan was presented to the Audit Committee in March 2025. The plan was designed to maintain a balanced programme of work that would inform Internal Audit's annual opinion on the overall adequacy of the Council's control environment. The plan is flexible in nature, and it is expected that amendments will be made during the year as risks/priorities change. All amendments to the audit plan are highlighted to the Audit Committee in the audit progress update reports during the year.

### **3.4 Level of Audit Coverage during the year**

3.4.1 The number of audit days spent in each area is given in the table below.

<b>Audit Area</b>	<b>Plan Days</b>	<b>Actual Days</b>
Assistant Chief Executive (Policy, Strategy and Improvement)	55	42
Adult Care, Public Health and Housing	130	142
Assistant Chief Executive (Policy, Strategy and Engagement)	55	42
Children and Young People Services	70	113
Finance and Customer Services (Corporate Services)	145	153
Regeneration and Environment	100	136
Corporate/Crosscutting	90	104
Project boards and groups including data analytics	20	50
Investigations	140	146
Anti-Fraud (proactive work)	40	29
Anti-Fraud (policy review and Anti Money Laundering assurances)	30	26
Grants	60	43
Follow Up reviews	25	-
Contingency	75	-
<b>Total</b>	<b>980</b>	<b>984</b>

3.4.2 The plan is flexible and subject to change during the year. The number of days planned for audits at the start of the year is reviewed when the audit is scoped in detail and is also subject to change depending on the findings.

3.4.3 There is always a time lag in terms of completion of audits, with the audit plan for any year not being completed at the end of March but between April and June. Additions and deferrals also make comparison of actual work completed against the plan more difficult.

### **3.5 Summary of Findings from Audit Reviews**

3.5.1 Internal Audit provides an opinion on the control environment for all systems, services or functions which are subject to audit review. These are taken into account when forming our overall annual opinion on the Council's control environment. All final audit reports are issued to the appropriate Executive Director, Service Director and Service Manager. The Chief Executive and Leader also receive a copy of all reports. A summary of the results of reports issued during 2025/26 is given in **Appendices B** and **C**.

### **3.6 Reporting of Audit Findings**

- 3.6.1 After reports are finalised, Internal Audit subsequently seeks assurance that agreed actions emanating from audit work have been implemented. As a minimum this involves the manager responsible updating automated audit software with an assurance that agreed actions have been implemented or, where they have not, appropriate progress is being made. Where an audit results in a partial or no assurance opinion a follow up review is undertaken.
- 3.6.2 SLT receive a summary report based on the Progress Reports presented to the Audit Committee, showing progress against the plan, reports issued and outstanding recommendations.

### **3.7 Implementation of Audit Recommendations**

- 3.7.1 All actions arising from audit recommendations are tracked automatically and the number of actions deferred is reported to the Audit Committee within the progress report. There will always be valid reasons for some implementation dates not being achieved, so some delays will occur in the future, but they are strictly monitored to ensure they are kept to a reasonable level.

### **3.8 Anti-Fraud work and investigations**

- 3.8.1 The Head of Internal Audit is one of the four Whistleblowing Officers who manage the response to any whistleblowing allegations. During the year the Internal Audit Service completed the following:
- The Anti-Fraud and Corruption Policy and Strategy were updated and presented to the Audit Committee in September 2025. They were subsequently uploaded onto the Intranet, and the Policy is available on the Council's webpage.
  - Updated the Council's Counter Fraud training which is available on the online learning platform
  - Received the NFI matches and reviewed and investigated these where appropriate. No fraudulent or overpayments were found by the end of March 2026.
  - Two investigations were undertaken during the year; one is currently in progress. The low number of investigations can partly be attributed to the strong internal controls and sound governance procedures in place. When investigations are carried out Internal Audit also reviews the issues arising from the irregularities investigated and, where appropriate, carries out wider testing to obtain either assurance or ascertain areas where improvements are needed.
  - The investigations were not significant in terms of the governance of the Council.

### 3.9 Advisory and responsive work

3.9.1 This includes work that does not result in an audit report but adds value to the Council by contributing to working groups or providing advice. During the year this included the following: -

- *Customer Services Liaison meeting*  
Participation in this group helps to ensure audit are informed of the latest areas the Group are working on, and where audit may wish to focus on at an early stage before changes to systems or ways of working are implemented. This group has also been helpful in providing areas where data analytic work would be beneficial.
- *Early Years and Education System Project Board*  
This is a new education case management system that will provide a single, joined-up view of children and young people in Rotherham. Internal Audit's role has been to attend the project board meetings and liaise with Digital Services and Finance colleagues to understand and present a common view of progress and risks.
- *Regeneration and Environment – Review of overtime controls*  
Review of the revised overtime authorisation process. This confirmed that the controls were operating as intended.
- *Social Care payment system – Super user profile checks*  
The review of Super User roles and audit's payroll validation checks has provided assurance that access controls are now more appropriately allocated. Payment processing is robust, with no concerns identified in the samples tested.
- *School request for assistance*  
Internal Audit was requested to investigate financial concerns raised by a maintained school Headteacher following her return to school after a period of absence. The financial and management controls were reviewed and recommendations raised to enhance governance and financial oversight at the school.
- *Presentation at the Local Authority Maintained Schools meeting* (attended by Headteachers and School Business Managers).  
Internal Audit gave an overview of how schools audits are conducted and shared learning from the areas where recommendations are commonly made, and the means to address areas of weakness.
- *General Audit Queries and Advice*  
Over the course of the year, we have received and responded to several queries and requests for advice from directorates, service areas and schools. These have covered a range of themes and areas, in the main relating to financial controls and record retention.

### 3.10 Grants

3.10.1 During the year the service completed reviews in accordance with the grant funding body requirements for the following grants.

- Disabled Facilities

- Bus Service Operators
- Rotherham Show
- Yorkshire Day
- Childrens Capital of Culture
- Signals

3.10.2 All were found to be accurately compiled and in accordance with the grant criteria.

### **3.11 Schools**

3.11.1 This year audits at two schools and one educational establishment have been undertaken. The scope was to provide assurance that the financial and management controls are robust and meet the requirements outlined in various Council and school statutory and operational (financial) guidance.

### **3.12 ICT Audits**

3.12.1 During the year we have once again engaged the services of another local authority's ICT Internal Audit Team who have over thirty other public sector clients. Based on a detailed risk assessment of our ICT risks they completed two audits during the year, and another is in progress.

### **3.13 Data Analytics**

3.13.1 Internal Audit have commenced the journey with enhanced data analytics. It is envisaged that this work will allow the introduction of an agile form of auditing, a wider scope of assurance within defined audits in the audit plan, use in proactive counter fraud work, and with development, continuous auditing in some areas.

3.13.2 Three reviews have been completed, on garden waste income collection, purchasing cards and internal data matching to identify any potential undeclared interests and potential procurement fraud. Positive feedback from management has been received. The Data Analytics Strategy has been refreshed and further workstreams have been developed for the year ahead.

### **3.14 South and West Yorkshire Audit Groups**

3.14.1 The Council's Internal Audit Service is a member of the Yorkshire and Lincolnshire Internal Audit Groups. This facilitates comparisons and the sharing of best practice and includes groups for Heads of Internal Audit and Counter Fraud/Investigations.

### **3.15 Internal Audit Performance**

3.15.1 The Global Internal Audit Standards (UK Public Sector) require a quality assurance framework to be established, which includes both internal and external assessments of the work of Internal Audit.

## External Assessments

- 3.15.2 The standards state that an external reviewer must undertake a full assessment or validate Internal Audit's own self-assessment at least once in a five-year period. CIPFA undertook a comprehensive External Quality Assessment (EQA) of the Internal Audit function during Autumn 2025 which measured conformance against the Global Internal Audit Standards (GIAS), the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government (the Code), and the associated Application Note: Global Internal Audit Standards in the UK Public Sector.
- 3.15.3 The assessment confirmed that the Internal Audit function is "Generally Conforming" overall to the Standards and Principles. This is the highest classification that CIPFA award.
- 3.15.4 An extract from the report summarises the assessment as follows: "The findings reflect a strong governance partnership between internal audit, the audit committee, and senior management, noting that clients and stakeholders highly value internal audit. Interviewees praised the function's professionalism, transparent and objective delivery, and the strong working relationships established within the authority. This positive endorsement confirms that the governance oversight mechanisms and senior management support are largely effective in ensuring internal audit remains an influential resource. This has been achieved with a relatively small internal audit team and constrained resources".
- 3.15.5 In total RMBC conformed to 49 out of 52 of the Standards and 8 out of the 9 Provisions of the Code. Four areas were assessed as Partially Conforming. Two for the same reason being a Standard under GIAS and a Provision under the Code.
- 3.15.6 During the CIPFA external assessment, feedback questionnaires were sent to the Chief Executive, Executive Directors, Service Directors and recent recipients of Internal Audit reports at Head of Service level. The results are shown in **Appendix A** and are based on 20 responses. The outstanding recommendations from the external assessment report are included within the Quality Assurance Improvement Programme below, together with any actions identified from the internal annual self-assessment that is completed.

<b>Quality Assurance and Improvement Programme Action Plan</b>	
<b>Action</b>	<b>Position statement</b>
<b>Action from the self-assessment against fraud checklist</b>	
Update the directorate and corporate wide fraud risk assessment and examine the results as part of the annual Internal Audit planning exercise.	Fraud risk assessment across the Council is continuing with Internal Audit, colleagues from the Policy, Improvement and Risk Service and other key contacts. The updated approach will be reviewed at the next Risk Champions meeting to prepare service areas for incorporating fraud risks into their respective risk registers.
The reporting of the fraud risks and mitigation will be strengthened over the year, and a more comprehensive report will be brought to the Audit Committee.	The reporting of fraud risks and mitigations has been considered, and an enhanced report will be brought to the Audit Committee once a robust Council wide fraud risk assessment has been finalised.
<b>Actions from the Internal Audit Strategy 2025/28</b>	
Investigate and develop the use of Copilot and other tools to aid the planning, testing and reporting process.	<b>Complete</b> Copilot is now being used to identify emerging and current risks as part of the audit scoping process. Copilot is now being used in the audit reporting process with the information comprehensively checked by supervising auditors to supporting records. This is now standard practice so will be removed from the improvement plan.
Explore the potential use of a dashboard for audit reporting and seek stakeholder feedback.	This action will commence during the second half of the financial year.
Ensure the use of data analytics has been considered during each audit review. Where relevant make use of available data sets to provide assurance over the whole population rather than the traditional use of sample testing.	<b>Complete</b> This is being considered during all relevant audits for 2025/26 and 2026/27. An audit completion checklist is now being utilised which includes a prompt around the use of data analytics. Data analysis is considered during the scoping stage of each audit. We are furthering our links with other audit services to share ideas and best practice. A data analytics strategy is in place and is updated during audit

	<p>planning, which is accompanied with a list of prioritised areas for review during the year.</p> <p>Data analytics is now becoming embedded into practice so this will be removed from the improvement plan.</p>
<p>Enhance skills and knowledge through attendance on training and development events.</p>	<p><b>Complete</b></p> <p>A specific training session on data driven approaches to audit has been attended and the learning has been shared with the rest of the team. A watching brief will be maintained to identify any further beneficial training. This has been included in the Training and Development Plan for 2026/27 so has been removed as a specific action for improvement.</p>
<p>Participate in data analytics Internal Audit groups and regional discussions to enhance knowledge and understanding of audit developments and techniques.</p>	<p>This was raised as an agenda item at a recent local Heads of Audit group. Learning from other authorities will continue and a watching brief will be maintained for any new training or groups to participate in.</p>
<p>Work with other service areas in the council for example the business and intelligence team to trial the use of data for continuous audit in key areas of risk, expenditure or potential fraud.</p>	<p>This work will commence in the second half of the year.</p>
<p>Ensure that we have up to date awareness of current training available for auditors on topical subject areas through auditor subgroup attendance and active scanning of relevant websites.</p> <p>Identify and provide opportunities for specialist training/knowledge for staff to minimise gaps, for example Anti-Fraud/investigations, data analysis and AI.</p>	<p>Training in key areas for auditors is reviewed on an ongoing basis. Participation in local audit groups helps to identify any training undertaken by other audit services which would be of value. This is an area of constant development and will be kept under continual review to ensure we remain up to date with the latest audit developments.</p> <p>Fraud risk training and performance audit training have been identified as priorities for team training during the first quarter of 2026/27.</p>

<p>Review staff development plans and provide opportunities for staff seeking progression to learn from others in the team (eg peer reviews, investigations).</p>	<p>This is undertaken formally following the Year Ahead Development Plan process and mid year reviews. This is also discussed during weekly 1:1's and ongoing development of the team is kept under review when allocating audits during the year. An internal promotion has been secured by a member of the team, who is now gaining practical experience in this new role with assistance from peers.</p>
<p>Review the current career pathways for staff within the service and the potential for apprenticeships/qualification routes.</p>	<p><b>Complete</b> The Trainee Auditor career pathway is now in place. This pathway is linked to attainment of the Institute of Internal Auditors Level 4 qualification as an Audit Technician.</p>
<p>Identify key external assurance providers and reporting mechanisms into the Council. Review external assurance outputs and review opportunities for collaborative working.</p> <p>Further integrate the assurance into audit planning in 2026/27 and future years.</p> <p>(Linked to Action point 3 below)</p>	<p>This work has commenced in liaison with the Policy, Strategy and Engagement Directorate.</p>
<p><b>Global Internal Audit Standards (UK Public Sector) External Assessment Action Plan</b></p>	
<p><b>Action point 2</b></p> <p>(Std 5.2) Establish a formal Service Level Agreement (SLA) between the authority and Salford IT audit services to mitigate potential legal and regulatory risks associated with third-party data protection and accountability. Senior management and the Monitoring Officer should evaluate the risks inherent in the current absence of an SLA, report findings to the board, and assess whether similar risk exposures exist across other authority contracts.</p>	<p><b>Complete</b></p> <p>An SLA between RMBC IA Services and Salford Technical audit services has now been signed following review by Information Governance and Legal Services.</p>

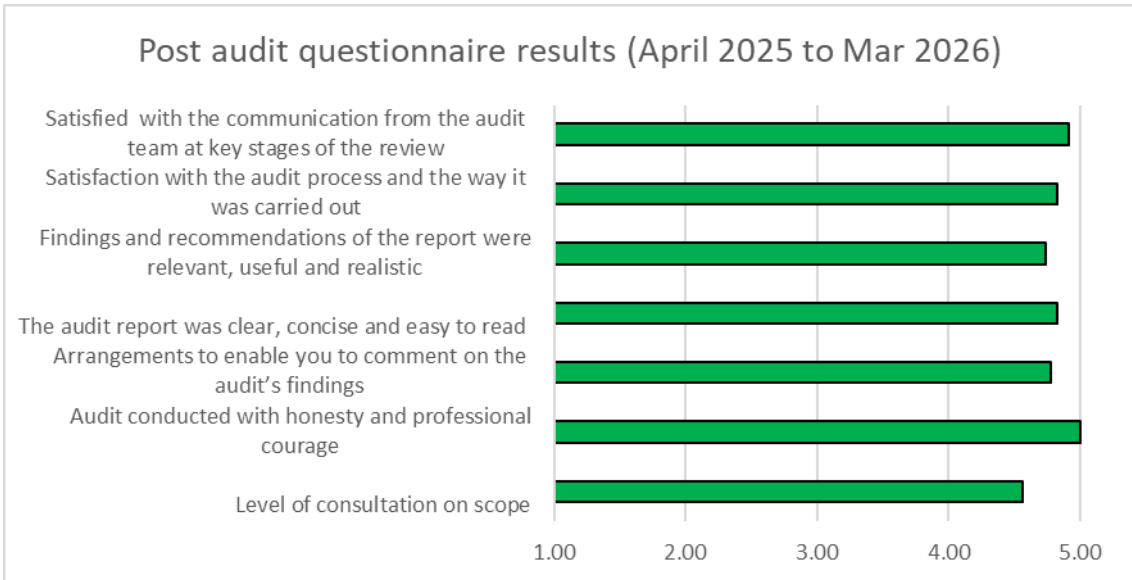
(High priority)	
<p><b>Action point 4</b></p> <p>(Std 7.1) The board and senior management should ensure implementation of clear, robust safeguards over the HIA's whistleblowing and also the HIA's broader responsibilities for AFC. This should include prompt review of the HIA's dual responsibilities as the Whistleblowing Officer and investigator for fraud and corruption cases, as combining these roles risks impairing independence. Consideration should be given to implementing a separate, independent assurance mechanism specifically tasked with providing assurance over the HIA's involvement in the whistleblowing process and the HIA's wider AFC responsibilities.</p> <p>(High priority)</p>	<p>A review has been arranged with a neighbouring Council, and the scope is currently being drafted.</p>
<p><b>Action point 3</b></p> <p>(Std 6.1) It is recommended that senior management strengthen assurance mapping; whilst this is not the responsibility of the internal audit function they can support, advise and contribute to this activity. Comprehensive assurance mapping should include both internal and external assurance providers, thereby facilitating improved coordination, avoiding duplication, and enabling the board and senior management to accurately determine the optimal scope and types of internal audit services required.</p> <p>(Medium Priority)</p>	<p>Developing the assurance framework is included in the IA Strategy with three strategic initiatives and actions assigned for development during 2026/27 and 2027/28.</p> <p><b>Actions for 2026/27 in the IA Strategy were:-</b></p> <p>Engage with risk management, governance and business intelligence colleagues to enhance understanding of current sources of assurance (both internal assurance providers and external).</p> <p>Identify key external assurance providers and reporting mechanisms into the Council. Review external assurance outputs and review opportunities for collaborative working.</p> <p>Further integrate the assurance into audit planning in 2026/27 and future years.</p> <p>Work on the above has commenced with the Performance, Strategy and Engagement Directorate.</p>

<p><b>Action point 1</b></p> <p>(Std 3.2) We recommend strengthening internal auditors' mandatory recording and retention of all Continuing Professional Development (CPD) records to ensure the documentation comprehensively supports training undertaken.</p> <p>(Low priority)</p>	<p>The importance of keeping CPD records up to date has been re-enforced in a team meeting.</p> <p>CPD records will be reviewed as part of the My Year Ahead Plan six monthly and annual reviews.</p>
<p><b>Advisory point 3</b></p> <p>(Std 6.3) Enhance governance transparency by ensuring full attendance details, especially noting the participation of senior management and the Head of Internal Audit, are clearly documented up front in public-facing audit committee minutes and online records. Failure to provide conspicuous evidence of senior leadership support risks undermining the perceived authority and gravity of the audit committee's oversight function.</p> <p>(Advisory)</p>	<p><b>Complete.</b></p> <p>This has now been implemented.</p>
<p><b>Advisory point 5</b></p> <p>(Std 9.1) Ensure annual training updates for internal auditors incorporate value for money (VFM) topics, ideally expanded to include comprehensive VFM audit methodology training.</p> <p>(Advisory)</p>	<p>This had already been identified as an action via our self-assessment. This has been included in the 2026/27 Training and Development Plan and will be undertaken during the year.</p>
<p><b>Advisory point 7</b></p> <p>(Std 12.2) The HIA, collaborating with the audit committee and senior management should consider conducting a strategic review to strengthen the Internal Audit function's Key Performance Indicators (kpis) metrics,</p>	<p>A comprehensive review of KPI's will be undertaken over the summer period, in consultation with senior management the Audit Committee.</p>

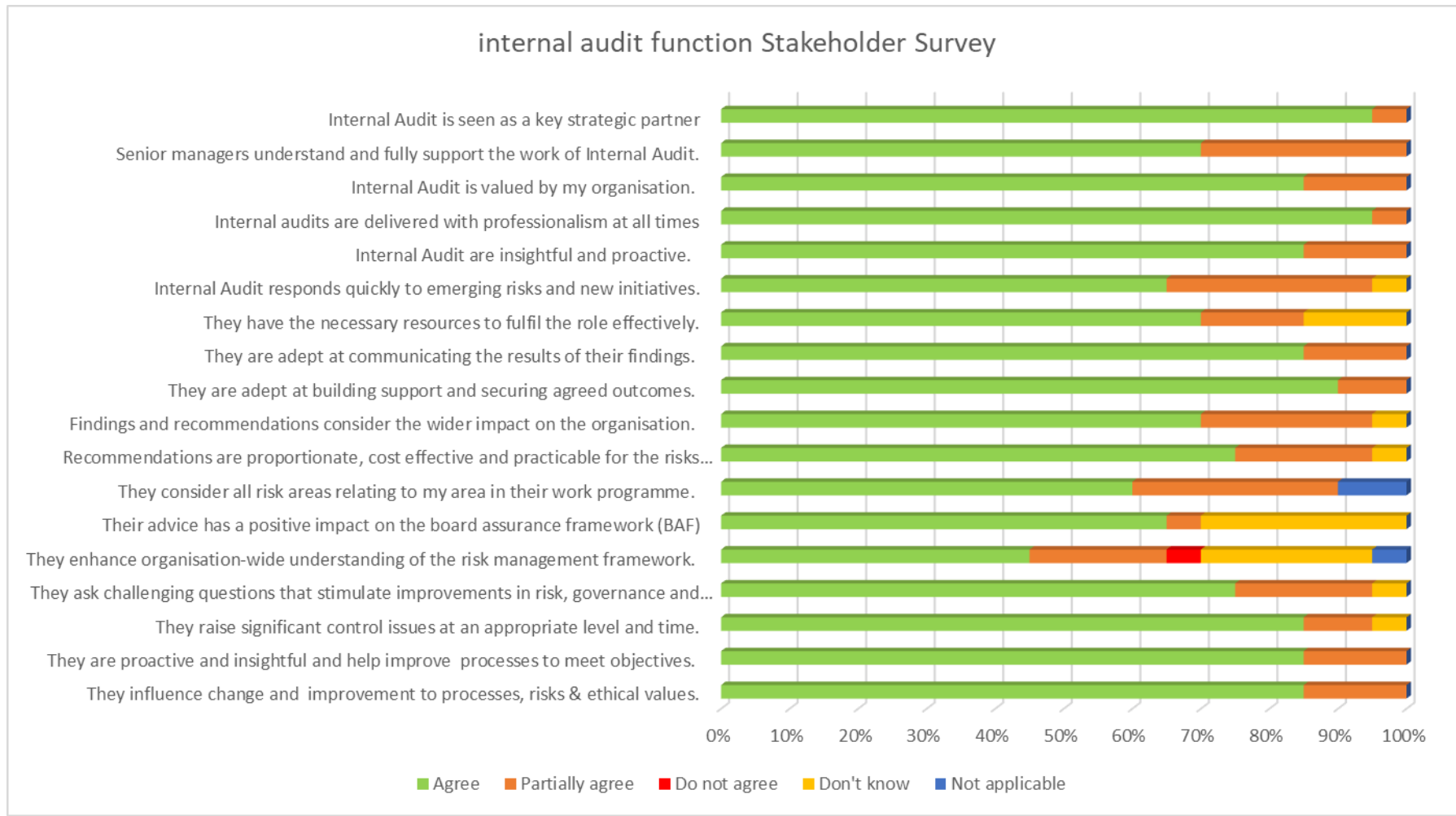
<p>moving beyond solely delivery metrics to adopt a balanced scorecard approach incorporating Quality and Conformance, and Value for Money (VFM). These updated kpis should be sufficiently challenging yet pragmatic, aligning with the strategic focus areas defined by those charged with governance to effectively monitor the function's performance and continuous improvement.</p> <p>(Advisory)</p>	
<p><b>Advisory point 4</b></p> <p>(Code 2.1) To ensure the audit committee's official documentation aligns with best governance practice and the Code, update the audit committee Terms of Reference (TOR) to formally incorporate the committee's duties to provide feedback on the HIA's proposed job description and contribution, by the Audit Chair, to the annual performance evaluation of the HIA.</p> <p>(Advisory)</p>	<p>The Executive Director of Corporate Services will ensure input from the Chair of Audit Committee is included in the HIA's MYAP/PDR process.</p> <p>The current arrangements with regards to the recruitment of the Head of Internal Audit will be retained. The job description will be reviewed by Human Resources in line with Council procedures prior to advertisement. It would be expected that the recruitment panel would comprise the Executive Director of Customer Services and the Service Director – Legal Services, in line with previous arrangements.</p>

## Internal assessments

3.15.6 Customer Satisfaction Questionnaires (CSQs) are issued to clients when the final audit report is issued. The information returned is used to identify any training and development needs, areas for improvement in the audit process, or coverage proposed for future years. An annual summary of results is included, together with our performance against a number of key indicators below.

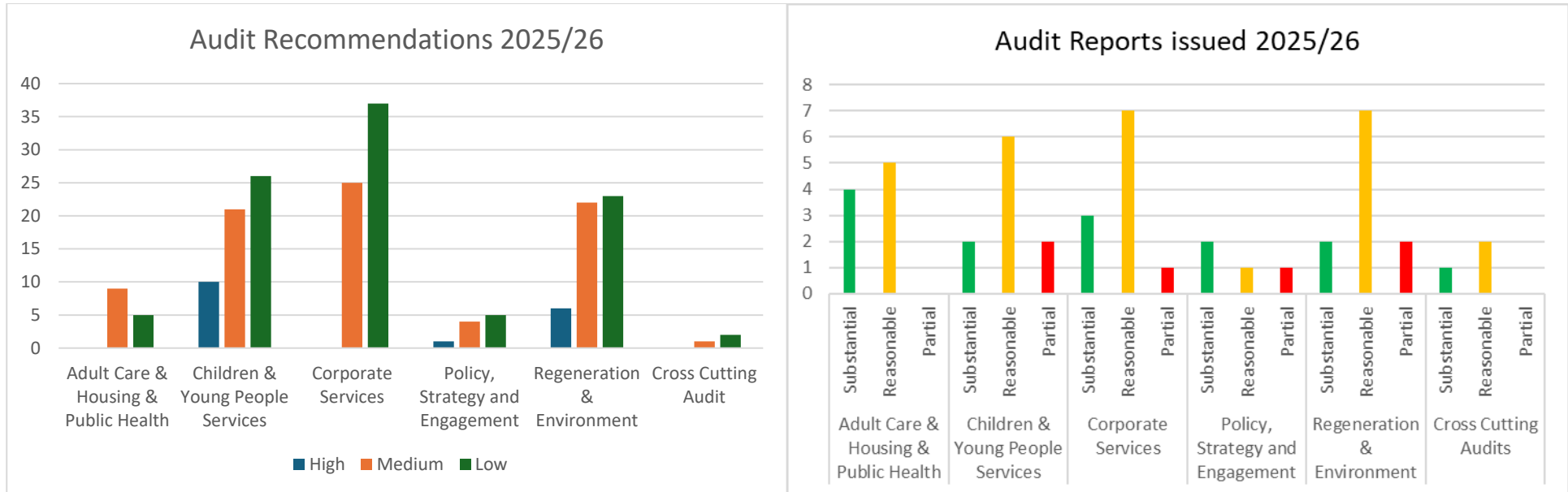


<b>Performance Indicator</b>	<b>2024-25 Actual</b>	<b>2025-26 Target</b>	<b>2025-26 Actual</b>
Draft reports issued within 15 days of field work being completed	93%	90%	93%
Audits completed within planned time	79%	90%	93%
Final reports issued within 5 working days of customer response to the draft report	97%	90%	100%



**Analysis of Internal Audit opinions and recommendations 2025/26**

The graphs below show a summary of the audit opinions and recommendations that have arisen from audit work completed during the period.



## Summary of audit reports issued during the year

<b>Audit report</b>	<b>Opinion</b>	<b>Date reported to Audit Committee</b>
<b>Adult Care, Housing and Public Health</b>		
Customer Pathway	Substantial	September
Lift Servicing in Council tenanted properties	Reasonable	September
Sundry Debtors	Reasonable	September
Smoke and Carbon Monoxide Alarms Follow Up	Reasonable	March
Statutory Tenancies	Reasonable	March
Fire Safety in Council tenanted properties	Substantial	March
Asbestos Management	Substantial	March
Water Safety (Legionella) Follow Up	Substantial	June
Contract monitoring and social value	Reasonable	June
<b>Assistant Chief Executive (Policy, Strategy and Engagement)</b>		
Sundry Debtors	Substantial	September
Payroll	Substantial	September
Gifts and Hospitality	Reasonable	June
Contract monitoring and social value	Partial	June
<b>Children and Young Peoples Services</b>		
SEND Sufficiency	Substantial	September
Joint Funded Care Packages Follow Up	Reasonable	September
Schools Assurance (Establishment audit)	Partial	September
Unaccompanied Asylum Seeking Children Follow Up	Substantial	September
Sundry Debtors	Reasonable	November
Crowden Outdoor Learning Centre	Reasonable	November
S17 payments and reduction in cash payments project	Partial	November
School audit 1	Reasonable	June
School audit 2	Reasonable	June
Contract monitoring and social value	Reasonable	June
<b>Corporate Services</b>		
Capital Programme	Reasonable	September

## APPENDIX C

Lift Servicing Compliance (Corporate Landlord properties)	Substantial	September
Sundry Debtors	Reasonable	September
Record of Processing Activities	Reasonable	September
ITrent Application Review	Substantial	September
Riverside House Building Security and ID badge controls	Partial	November
National Non Domestic Rates (Business Rates)	Substantial	March
Asset management estimates and capital programme follow up	Reasonable	March
Cash and Bank Reconciliations	Reasonable	June
Asbestos	Reasonable	June
Contract monitoring and social value	Reasonable	June
<b>Regeneration and Environment</b>		
Tree Service	Substantial	September
Home to School Transport	Partial	September
Waste Operations (Health and Safety)	Reasonable	September
Sundry Debtors	Reasonable	September
Risk registers	Reasonable	March
Highways Structures	Partial	March
Trading Standards Unannounced visit	Reasonable	March
Childrens Capital of Culture Follow Up	Substantial	June
Home to School Transport Follow Up	Reasonable	June
Building Control	Reasonable	June
Contract monitoring and social value	Reasonable	June
<b>Cross-cutting audits</b>		
Anti Money Laundering Assurances (Right to Buy)	Substantial	September
Cash Controls	Reasonable	November
Liquid Logic (IT application)	Reasonable	June

Rating	Definition
Substantial Assurance	<p>Substantial assurance that the system of internal control is designed to achieve the service's objectives and this minimises risk.</p> <p>The controls tested are being consistently and effectively applied. Recommendations, if any, are of an advisory nature to further strengthen control arrangements.</p>
Reasonable Assurance	<p>Reasonable assurance that the system of internal control is designed to achieve the service's objectives and minimise risk. However, some weaknesses in the design or inconsistent application of controls put the achievement of some objectives at Low risk.</p> <p>There are some areas where controls are not consistently and effectively applied and / or are not sufficiently developed. Recommendations are no greater than medium priority.</p>
Partial Assurance	<p>Partial assurance where weaknesses in the design or application of controls put the achievement of the service's objectives at a Medium risk in a significant proportion of the areas reviewed.</p> <p>There are significant numbers of areas where controls are not consistently and effectively applied and / or are not sufficiently developed.</p> <p>Recommendations may include high priority and medium priority matters.</p>
No Assurance	<p>Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes service objectives to an unacceptable High level of risk.</p> <p>There is significant non-compliance with basic controls which leaves the system open to error and / or abuse. Recommendations will include high priority matters and may also include medium priority matters.</p>