



Coventry City Council

# Public report

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**Report to**

Audit and Procurement Committee

2<sup>nd</sup> February 2026

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor G Duggins

**Director approving submission of the report:**

Director of Finance and Resources

**Wards affected:**

City Wide

**Title:**

Internal Audit Plan 2025-26 – Half Year Progress Report

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**Is this a key decision?**

No – this is a monitoring report

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**Executive summary:**

The purpose of this report is to provide the Audit and Procurement Committee with an update on the internal audit activity for the period April to September 2025, against the Internal Audit Plan for 2025-26.

**Recommendations:**

Audit and Procurement Committee is recommended to:

- 1) Note the performance as at quarter two against the Internal Audit Plan for 2025-26.
- 2) Consider the summary findings of the key audit reviews (attached at Appendix Two to the report).

**List of Appendices included:**

Appendix One - Audit Reviews Completed between April and September 2025

Appendix Two - Summary Findings from Key Audit Reports

**Background papers:**

None

**Other useful documents:**

None

**Has it or will it be considered by scrutiny?**

No other scrutiny consideration other than the Audit and Procurement Committee

**Has it, or will it be considered by any other council committee, advisory panel or other body?**

No

**Will this report go to Council?**

No

**Report title:** Internal Audit Plan 2025-26 – Half Year Progress Report

**1. Context (or background)**

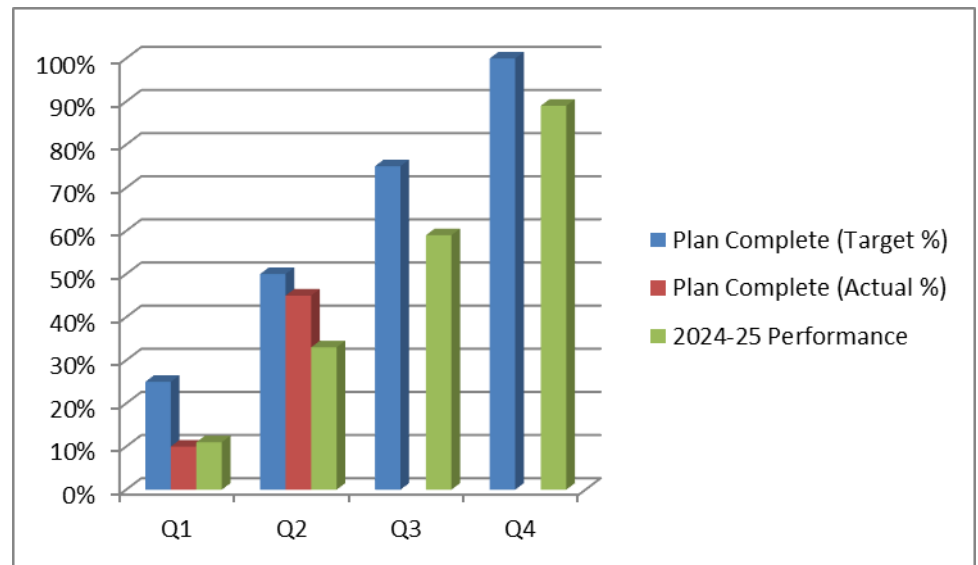
- 1.1 This report is the first monitoring report for 2025-26, which is presented in order for the Audit and Procurement Committee to discharge its responsibility 'to consider summaries of specific internal audit reports as requested' and 'to consider reports dealing with the management and performance of internal audit'.

**2. Options considered and recommended proposal**

**2.1 Delivering the Audit Plan**

- 2.1.1 The Internal Audit Plan for 2025-26 was presented to the Audit and Procurement Committee at its meeting on 23<sup>rd</sup> June 2025. The Plan provided for 650 days of internal audit work in 2025-26. As the Plan is agreed at the start of the financial year, it is always likely to be subject to some amendments due to changes in the risk environment, requests from service areas to reschedule work, and other exceptions, with significant changes reported to the Audit and Procurement Committee. As a result of unplanned absence in the Service and the time taken to implement the agreed service redesign, it has been necessary to make changes to the Audit Plan given the reduction in available resources. As such, the Plan is now based on the provision of 550 days of internal audit work in 2025-26. This has been accommodated through re-programming some internal audit work into the 2026-27 Audit Plan and changes in the risk environment impacting on the requirement for audit involvement.
- 2.1.2 The key target facing the Internal Audit Service is to complete 90% of its work plan by 31<sup>st</sup> March 2026. The chart overleaf provides analysis of progress against planned work for the period April to September 2025 based on the revised audit plan of 550 days.

**Chart One: Progress against delivery of Internal Audit Plan 2025-26**



As at the end of September 2025, the Service has completed 45% of the Audit Plan against a benchmark of 50% (which reflects delivery of 100% of the Plan.) Whilst this shows the Service to be on track to achieve the target of 90% by the end of 2025-26, the impact of the unplanned absence in particular will be visible in the quarter three performance (which is due to be reported to the Audit and Procurement Committee in March 2026.) Notwithstanding this, the Service remain committed to achieving the target by the end of the financial year.

2.1.3 Taking into account the points at 2.1.1 and 2.1.2 above, it is the view of the Chief Internal Auditor that these changes will not, in any significant respects, impact on the ability to deliver the annual internal audit conclusion.

## 2.2 Other Key Performance Indicators (KPIs)

At its meeting in November 2025, the Audit and Procurement Committee approved the performance indicators for the Internal Audit Service for 2025-26, in line with the Global Internal Audit Standards in the UK Public Sector. Whilst some of these indicators are measured on an annual basis, there are two (in addition to the indicator in 2.1 above) which are measured quarterly. The table below shows a summary of the performance for 2025-26 to date against these two performance indicators.

**Table One: Internal Audit Quarterly Key Performance Indicators 2025-26**

Performance Measure	Target	Performance Q2 2025/26
Average customer feedback score	4.8 out of 5	5

<b>% of agreed audit recommendations implemented as planned</b>	70%	57%
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These are further expanded upon below:

Customer feedback - In addition to the high customer feedback scores, comments made by customers included:

- “The support provided from the initial meeting through to the final report stage was superb. As a large service, coordinating face-to-face meetings and compiling evidence throughout the investigation was no small task, yet it was managed seamlessly. We were kept well-informed at every stage of the process. The resulting action plan is thorough and will be invaluable in enhancing our processes, procedures, and practices for future enrolments.”
- “X's approachable and collaborative style created a positive environment that encouraged open and transparent discussions across all levels of the team. Her pragmatic and sensible attitude helped ensure the audit was not only thorough but also constructive. Rather than focusing solely on issues, she worked with us to identify practical improvements which has led to changes within the service. It has genuinely felt a valuable exercise.”
- “Both X and X were professional, approachable, and supportive throughout, offering clear advice and guidance whenever needed.”
- “X provided an excellent, fair, and reasonable assessment. She listened carefully and asked thoughtful questions about the processes.”
- “We were given fair opportunity for comment and discussion and felt listened to.”

Implementation of agreed audit recommendations - It should be noted that the indicator relating to the percentage of audit recommendations implemented as planned is not exclusively a reflection of Internal Audit performance as management are responsible for completing agreed actions. However, notwithstanding this, the Internal Audit Service are in the process of putting in place additional measures to support the gradual improvement of implementation rates. This includes further development of the directorate trackers, specific discussions at the draft report stage on the importance of the timely implementation of agreed actions, and enhancements to the follow up process to make officers more accountable for lack of progress.

### 2.3 Audits Completed to Date

Attached at Appendix One is a list of the audits finalised between April and September 2025, along with the level of assurance provided.

As at 30<sup>th</sup> September 2025, the following audits were in progress:

- **Audits at Draft Report Stage** – none
- **Audits On-going** – Property Disposals, Ransomware Threat, Our Lady of Assumption Catholic Primary School, Occupational Therapy Equipment,

Commercial Property Rent, Purchasing Cards (Children's and Education), Noise Team Rotas.

Details of a selection of key reviews completed in this period are provided at Appendix Two. In all cases, the relevant managers have agreed to address the issues raised in line with the timescales stated. These reviews will be followed up in due course and the outcomes reported to the Audit and Procurement Committee.

### **3. Results of consultation undertaken**

3.1 None

### **4. Timetable for implementing this decision**

4.1 There is no implementation timetable as this is a monitoring report.

### **5. Comments from the Director of Finance and resources and the Director of Law and Governance**

#### **5.1 Financial Implications**

There are no specific financial implications associated with this report. Internal audit work has clear and direct effects, through the recommendations made, to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

#### **5.2 Legal implications**

There are no legal implications arising from the recommendations in this report.

Reporting on progress in regards to the delivery of the Annual Audit Plan ensures that the Council meets its statutory obligations in respect of maintaining an internal audit function and represents good governance.

### **6. Other implications**

#### **6.1 How will this contribute to achievement of the One Coventry Plan?**

Internal Auditing is defined in the Global Internal Audit Standards in the UK Public Sector as "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". As such the work of Internal Audit is directly linked to the Council's key objectives / priorities with specific focus agreed on an annual basis and reflected in the annual Internal Audit Plan.

## **6.2 How is risk being managed?**

In terms of risk management, there are two focuses:

- Internal Audit perspective - The main risks facing the Service are that the planned programme of audits is not completed, and that the quality of audit reviews fails to meet customer expectations. Both these risks are managed through defined processes (i.e. planning and quality assurance) within the Service, with the outcomes included in reports to the Audit and Procurement Committee. Delays in the delivery of individual audits could occur at the request of the customer, which could impact on the delivery of the plan. This risk is managed through on-going communication with customers to agree timing and identify issues at any early stage to allow for remedial action to be taken.
- Wider Council perspective - The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit and Procurement Committee. Where progress has not been made, further action is agreed and overseen by the Audit and Procurement Committee to ensure action is taken.

## **6.3 What is the impact on the organisation?**

None

## **6.4 Equalities / EIA**

None

## **6.5 Implications for (or impact on) Climate Change and the environment**

No impact

## **6.6 Implications for partner organisations?**

None

**Report author:****Name and job title:**

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Chief Internal Auditor

**Directorate:**

Finance and Resources

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Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Michelle Salmon	Governance Services Officer	Law and Governance	16/1/2026	16/1/2026
Tina Pinks	Finance Manager, Corporate Finance	Finance and Resources	16/1/2026	20/1/2026
Oluremi Aremu	Head of Legal and Procurement Services	Law and Governance	16/1/2026	16/1/2026
<b>Names of approvers: (officers and members)</b>				
Barry Hastie	Director of Finance and Resources	-	16/1/2026	21/1/2026
Councillor A Khan	Deputy Leader – Policing and Equalities	-	16/1/2026	22/1/2026
Councillor R Lakha	Chair of Audit and Procurement Committee	-	16/1/2026	16/1/2026

This report is published on the council's website: [www.coventry.gov.uk/council-meetings](http://www.coventry.gov.uk/council-meetings)



## Appendix One – Audit Reviews Completed between April and September 2025

Audit Area	Audit Title	Assurance	Previous Assurance level (if applicable)
<b>2024-25 B/Fwd</b>	Corporate Income	Significant	Significant
	CareDirector	Reasonable	Reasonable
	Building Control	Reasonable	n/a
<b>Corporate Risk</b>	New working arrangements in Waste Services	Reasonable	Reasonable
	Return of ICT equipment	Significant	n/a
	Coventry Municipal Holdings – conflicts of interest	Reasonable	n/a
<b>Regularity</b>	Proactive invoice checks	Verification	n/a
	Turnaround Programme grant	Verification	n/a
	HUG 2 grant	Verification	n/a
	SHDF wave 2 grant	Verification	n/a
	Network North highways grant	Verification	n/a
	Homelessness grants	Verification	n/a
	Bus Subsidy grant	Verification	n/a
	Disabled Facility grant	Verification	n/a
	Annual Governance Statement	Reasonable	Reasonable
	Teachers Pension Statements	Verification	n/a
	Youth Justice grant	Verification	n/a
	Innovate UK grant	Verification	n/a
	Cannon Park Primary School	Significant	Significant
	Eastern Green Primary School	Reasonable	Significant
	Grangehurst Primary School	Significant	Significant
	Holbrook Primary School	Reasonable	Significant
	Joseph Cash Primary School	Reasonable	Significant

<b>Audit Area</b>	<b>Audit Title</b>	<b>Assurance</b>	<b>Previous Assurance level (if applicable)</b>
	Spon Gate Primary School	Reasonable	Significant
<b>Directorate issues</b>	Adult Education Enrolment	Limited	n/a
<b>Follow ups</b>	Management of Plant and Equipment	Limited	Limited

## Appendix Two – Summary Findings from Key Audit Reports Completed between April and September 2025

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p><b>Adult Education Enrolment</b></p> <p><b>October 2025</b></p> <p><b>Senior Curriculum &amp; Operations Manager / Business Quality Manager / Partnerships Officer / MIS Manager</b></p>	<p><b>Overall Objective:</b> To provide assurance that processes in place to enrol adult education learners are fit for purpose and ensure that learners are processed accurately and on a timely basis.</p> <p><b>Key controls assessed:</b></p> <ul style="list-style-type: none"> <li>- Arrangements are in place to ensure enrolment forms are accurately completed for all learners and are passed to the Learner Services Team on a timely basis.</li> <li>- Enrolment forms are appropriately processed by the Learners Services Team with information passed to the MIS Team on a timely basis.</li> <li>- Arrangements ensure that learners are added to the Pro-Solutions System on a timely basis, with accurate data provided to the WMCA / ESFA.</li> <li>- Where learners are identified as not being enrolled, processes ensure that action is taken to resolve on a timely basis.</li> <li>- Where learners are required to pay for courses, arrangements ensure that payment is taken in advance.</li> <li>-</li> </ul> <p><b>Opinion:</b> Limited Assurance</p> <p>The review highlighted that there are significant control weaknesses in the arrangements in place, which mean that when other factors arise, the system is not sufficiently robust to ensure it remains resilient and works effectively. In our view, the Service does need to move towards a digitised solution for enrolment. This would significantly reduce the administrative processes required and largely automate controls, resulting in risks being much more effectively managed.</p> <p><b>Agreed Actions - risk level high (H) or medium (M):</b></p> <ul style="list-style-type: none"> <li>• Ensure that documented procedures for the completion of enrolment forms are issued to all staff involved in the enrolment process. (M)</li> <li>• Ensure that annual refresher training is provided to all staff involved in the enrolment process. (M)</li> <li>• Where forms cannot be fully completed during the enrolment session, ensure they are passed to</li> </ul>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
	<p>Learner Services to resolve. This should include the clear allocation of responsibility for this action to Learner Services. (M)</p> <ul style="list-style-type: none"> <li>• Introduce a batch control process to ensure a chain of custody is maintained over enrolment forms. (H)</li> <li>• Introduce requirements for (a) when batches of forms should be passed to Learner Services and how this should be done and (b) the secure storage of batched forms until they are passed to Learner Services. (H)</li> <li>• Develop a documented procedure for the checking of forms by Learner Services. This should include clear instructions on what to do when an issue with an enrolment form is identified. Ensure the procedure is issued to all staff and training provided as appropriate. (M)</li> <li>• Within the batch control document include a column “Scanned In” which Learner Services officers can tick to provide an audit trail that each enrolment form has been scanned. (H)</li> <li>• Agree appropriate arrangements for staff within Learner Services Teams to move curriculum areas when backlogs arise. (M)</li> <li>• Improve control over the management of outstanding course fees. (M)</li> </ul>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings								
<p><b>Management of Plant and Equipment Formal Follow Up</b></p> <p><b>March 2026</b></p> <p><b>Fleet Workshop Manager / Assistant Fleet Manager / Strategic Manager, Street Pride and Environmental Enforcement / Bereavement Services Manager</b></p> <p>A summary of progress made against the agreed actions is shown below:</p> <table border="1" data-bbox="132 975 533 1168"> <tr> <td><b>Number of Actions</b></td><td><b>5</b></td></tr> <tr> <td><b>Implemented</b></td><td><b>1</b></td></tr> <tr> <td><b>No Progress</b></td><td><b>4</b></td></tr> <tr> <td><b>On-going</b></td><td><b>0</b></td></tr> </table>	<b>Number of Actions</b>	<b>5</b>	<b>Implemented</b>	<b>1</b>	<b>No Progress</b>	<b>4</b>	<b>On-going</b>	<b>0</b>	<p><b>Overall Objective:</b> To provide assurance that agreed actions have been implemented as planned to ensure the Council has effective arrangements in place to safeguard small items of plant and equipment and ensure they can be accounted for.</p> <p><b>Recommendations followed up:</b></p> <ul style="list-style-type: none"> <li>• Introduce an asset disposal form / associated process for service areas to use to notify Fleet Services when an item of plant / equipment needs to be removed from the register.</li> <li>• Take action to: (a) Undertake a specific exercise to update the register of plant and equipment to ensure it accurately reflects the assets held by the Council. (b) Following the above, request management to check the register on a quarterly basis to ensure it accurately reflects purchases / disposals made in the period.</li> <li>• Introduce an appropriate record to ensure that assets can be traced when they are loaned to other service areas / go off site.</li> <li>• Ensure that stock checks are undertaken on a bi-annual basis and in the event that plant / equipment cannot be accounted for, ensure this is appropriately investigated and followed up.</li> <li>• Consider installing CCTV at London Road and Windmill Road Cemetery (taking into account the cost / benefits of doing this.)</li> </ul> <p><b>Opinion:</b> Limited Assurance</p> <p>The lack of progress made in implementing the agreed actions is noted. As such, there remains a lack of control which could result in the theft / misuse of plant and equipment by employees going undetected and poor management of stock, both of which could have a financial impact on the Council.</p> <p><b>Agreed Actions – risk level high (H) or medium (M):</b></p> <ul style="list-style-type: none"> <li>• Introduce an asset disposal form / associated process for service areas to use to notify Fleet Services when an item of plant / equipment needs to be removed from the register. (M)</li> <li>• Take action to: (a) Undertake a specific exercise to update the register of plant and equipment to ensure it accurately reflects the assets held by the Council. (b) Following the above, request management to check the register on a quarterly basis to ensure it accurately reflects purchases /</li> </ul>
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<b>On-going</b>	<b>0</b>								

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
	<p>disposals made in the period. (H)</p> <ul style="list-style-type: none"> <li>• Introduce an appropriate record to ensure that assets can be traced when they are loaned to other service areas / go off site. (M)</li> <li>• Ensure that stock checks are undertaken on a bi-annual basis and in the event that plant / equipment cannot be accounted for, ensure this is appropriately investigated and followed up. (H)</li> </ul>