



Coventry City Council

Public report

Report to

Audit and Procurement Committee

16th March 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

Ward(s) affected:

City Wide

Title:

Quarter Three Internal Audit Progress Report 2025-26

Is this a key decision?

No – this is a monitoring report

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 December 2025, against the Internal Audit Plan for 2025-26.

Recommendations:

Audit and Procurement Committee is recommended to:

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

List of Appendices included:

Appendix One - Audit Reviews Completed between April and December 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:

Quarter Three Internal Audit Progress Report 2025-26

1. Context (or background)

1.1 This report is the second 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'.

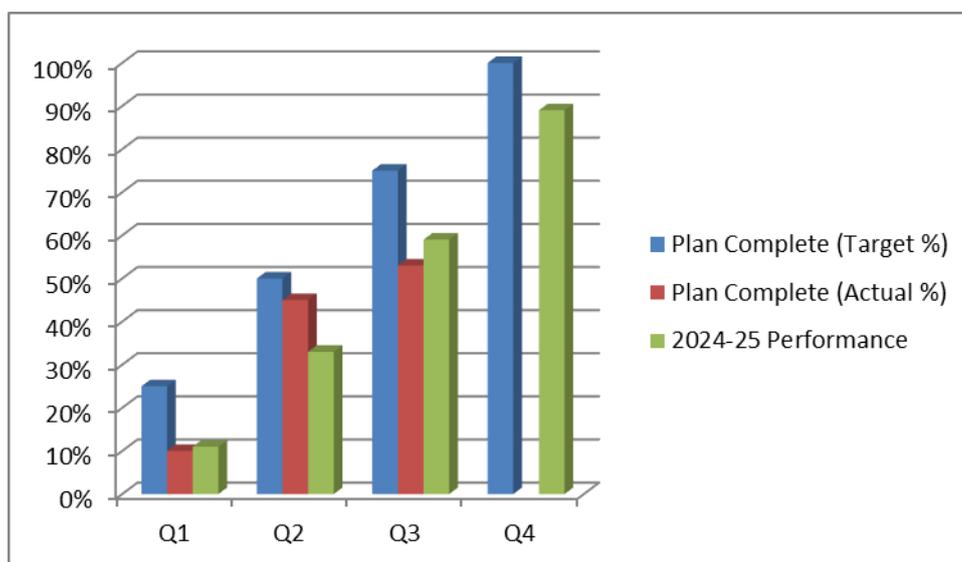
2. Options considered and recommended proposal

2.1 Delivering the Audit Plan

2.1.1 At its meeting on the 2nd February 2026, the Audit and Procurement Committee received an update on the resource position within the Internal Audit Service. As a result, the Committee noted that the Internal Audit Plan had been amended to 550 days, which reflects the impact of unplanned absence in the Service and the time taken to implement the agreed service redesign.

2.1.2 The key target facing the Internal Audit Service is to complete 90% of its work plan by the 31st March 2026. The chart below provides analysis of progress against planned work for the period April to December 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 December 2025, the Service had completed 53% of the Audit Plan against a benchmark of 75% (which reflects delivery of 100% of the Plan.) It is recognised that performance is below expectation, with the impact of the unplanned absence being visible in the quarter three performance. However, notwithstanding this, based on an assessment of performance as at February 2026, it is predicted that the Service will achieve over 80% of the plan by the end of March 2026. It

should also be noted that whilst the audits which are required to be completed to achieve 90% of the plan may not be finalised by the end of March 2026, the work in support of them will be substantially complete.

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 issues 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 Q3 2025/26
Average customer feedback score	4.8 out of 5	5
% of agreed audit recommendations which have been followed up and have been implemented as planned	70%	50%

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 have recently put 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 December 2025, along with the level of assurance provided.

As at the 31st December 2025, the following audits were in progress:

- **Audits at Draft Report Stage** – Ransomware Threat, Noise Team Rotas
- **Audits On-going** – Property Disposals, Allowances and Overtime, Security Certificates, Governance over AI, Housing Benefits (Domestic Abuse refuse cases), Payroll, Commercial Property Rent, Purchasing Cards (Children’s and Education), Formal Follow Up – Broad Heath Primary School

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, Governance and Safer Communities

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(s):

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Contributor/approver name	Title	Service	Date doc sent out	Date response received or approved
Contributors:				
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Tina Pinks	Finance Manager Corporate Finance	Finance	25/2/2026	4/3/2026
Oluremi Aremu	Head of Legal and Procurement Services	Law, Governance and Safer Communities	25/2/2026	4/3/2026
Names of approvers: (officers and members)				
Barry Hastie	Director of Finance and Resources	-	25/2/2026	4/3/2026
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	25/2/2026	2/3/2026
Councillor R Lakha	Chair of Audit and Procurement Committee	-	25/2/2026	25/2/2026

This report is published on the council's website:
www.coventry.gov.uk/meetings

Appendix One – Audit Reviews Completed between April and December 2025

Audit Area	Audit Title	Assurance	Previous Assurance level (if applicable)
2024-25 B/Fwd	Corporate Income	Significant	Significant
	CareDirector	Reasonable	Reasonable
	Building Control	Reasonable	n/a
Corporate Risk	New working arrangements in Waste Services	Reasonable	Reasonable
	Return of ICT equipment	Significant	n/a
	Coventry Municipal Holdings – conflicts of interest	Reasonable	n/a
Regularity	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
	Spon Gate Primary School	Reasonable	Significant
	Our Lady of Assumption Catholic Primary School	Reasonable	Reasonable
Directorate issues	Adult Education Enrolment	Limited	n/a
	SEND Home to School Taxi Provision	Significant	Limited
	Occupational Therapy Equipment	Reasonable	n/a
	Repairs & Maintenance Training Records	Reasonable	n/a
	Timesheets	Fact finding	n/a
Follow ups	Management of Plant and Equipment	Limited	Limited
	Transparency Code	Reasonable	Limited

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

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p>Occupational Therapy Equipment</p> <p>December 2026</p> <p>Therapy and Community Equipment Service Manager, Warehouse Manager, Repairs and Maintenance Commercial Manager</p>	<p>Overall Objective: To provide assurance that the Council has effective arrangements in place to ensure the provision and collection of loaned therapy equipment is managed appropriately.</p> <p>Key controls assessed:</p> <ul style="list-style-type: none"> - Procedures are in place to ensure that appropriate equipment is ordered and delivered on a timely basis following an assessment. - Arrangements are in place to ensure that equipment is collected on a timely basis when no longer required and is dealt with appropriately. - Processes ensure that appropriate stock levels are maintained to support the efficient provision of equipment, with arrangements in place to ensure stock is safeguarded and can be accounted for. <p>Opinion: Reasonable Assurance</p> <p>The review highlighted that in general terms, there are appropriate arrangements in place leading to effective outcomes for individuals. However, it was clear that there are opportunities for improvement across a number of areas, particularly in relation to processes and procedures which underpin effective performance management, which is key in any service which deals with a high volume of transactions.</p> <p>Agreed Actions - risk level high (H) or medium (M):</p> <ul style="list-style-type: none"> • Review and update the Therapy Criteria and Guidance to provide clear definitions and expectations on when key tasks linked to the timely provision of equipment should be completed by. (H) • Undertake periodic spot checks to monitor the timeliness of equipment orders and take action as appropriate to improve performance. (H) • Revise the process for specialist equipment orders by removing the requirement for line management approval and creating a specific form in ELMS to manage the process. (M)

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
	<ul style="list-style-type: none"> • Take action to improve controls over replacement equipment. (M) • Take action to agree a set of appropriate performance indicators between the Therapy and Community Equipment Service and Repairs and Maintenance, including establishing arrangements for providing quarterly performance updates. (M) • Put in place an appropriate process to monitor and manage collections on a routine basis. (M) • Ensure a stock check is completed on high value items (> £1,000) on a quarterly basis and on all low value items (<£1000) on an annual basis. (M) • Ensure that a process is developed to undertake stock checks on equipment managed by Repairs and Maintenance on a periodic basis. (M)

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p>SEND Home to School Taxi Provision</p> <p>September 2026</p> <p>Transport Commissioning Officer</p>	<p>Overall Objective: To provide assurance that effective arrangements are in place to provide adequate control over the use of taxis for home to school transport relating to SEND provision.</p> <p>Key controls assessed:</p> <ul style="list-style-type: none"> - Effective arrangements are in place in relation to the procurement of taxis to provide home to school transport, including where there are changes to requirements. - Appropriate systems exist to support the efficient and effective processing of invoices from suppliers with appropriate checks and balances in place as part of contract management. - Robust systems are in place to support the provision of accurate financial forecasts. <p>Opinion: Significant Assurance</p> <p>It is clear that there is now much more effective control over the use of taxis, including arrangements to manage the contract appropriately, more accurately forecast spend and administer invoices in an effective and efficient way. These arrangements support the Council in achieving value for money in delivering the service. Whilst the review did highlight a small number of areas for improvement, these do not undermine the arrangements in place.</p> <p>Agreed Actions - risk level high (H) or medium (M):</p> <ul style="list-style-type: none"> • Where a route has been subject to a direct award, ensure this is clearly shown in the procurement run spreadsheet, along with the reason. (M) • Take action to develop an appropriate policy / procedures to deal with charges for cancellations / no-shows. (M) • Consolidate the Bulk PO spreadsheet into the Taxi Tracker. (M) • Further develop the invoice query spreadsheet to record the date upon which invoices have been queried with the provider to allow for effective monitoring. (M)