



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:

Internal Audit Recommendation Tracking Report

Is this a key decision?

No

Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with an update on the progress made in implementing internal audit recommendations since January 2025.

Recommendations:

The Audit and Procurement Committee is recommended to note the progress made in implementing audit recommendations and confirm its satisfaction with this and the proposed action by the Chief Internal Auditor for audits where actions remain outstanding.

List of Appendices included:

Appendix One – Results of Formal Follow up Exercise

Appendix Two – Results of Self-Assessment Follow up Exercise

Background papers:

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 Recommendation Tracking Report

1. Context (or background)

- 1.1 The Global Internal Audit Standards in the UK Public Sector requires that “Internal auditors must confirm that management has implemented internal auditor’s recommendations or management’s action plans following an established methodology.”
- 1.2 As reflected within its terms of reference, the Audit and Procurement Committee is required to receive reports on Internal Audit’s follow up process. This report provides an update as to progress in respect of the agreed management actions which have been followed up during the period January 2025 to January 2026.

2. Options considered and recommended proposal

- 2.1 **Follow Up Procedure** - Given the number of audits that the Internal Audit Service completes every year, it is critical that it has a robust procedure in place for ensuring that it obtains appropriate assurance that audit recommendations have been implemented but does so in an efficient and proportionate way. Where appropriate, Internal Audit defines within its audit reports the follow up process to those responsible for the system / area under review and a date is agreed of when this will take place.

Currently, the key consideration that will determine the follow up procedure adopted is the level of assurance provided in the audit report, with the follow up procedure being:

- 1) A self-assessment process; or
- 2) A formal follow up review.

- 2.2 These considerations are expanded upon below:

- **Self-assessment process:** For any audit which receives “significant” or “reasonable” assurance, a process exists which is based on a self-assessment by relevant managers. This involves Internal Audit asking managers for an update on the action taken to implement audit recommendations.
- **Formal follow up:** Any audit which receives 'no' or 'limited' assurance is subject to a follow up review to assess improvements based on a timing agreed between Internal Audit and relevant management. This involves Internal Audit assessing progress through audit testing to ensure that agreed actions have been implemented and are working effectively.

- 2.3 Overall, it is believed that the procedure achieves the right balance between ensuring action is taken in response to risks identified by Internal Audit and allowing the Service to focus on delivering the Annual Audit Plan.

2.4 It should be noted that the results presented in this report represent the overall implementation rates for the agreed audit actions and do not take into account that the same action may have been followed up more than once in the period. As such, the implementation rates reported here will differ from the performance indicator which is reported quarterly to Audit and Procurement Committee which includes each occasion an action is followed up.

2.5 **Results** – The results of the latest follow up exercise are attached at Appendix One and Two and are summarised in the graph below.



Of the 281 actions followed up, 61% have been implemented based on both the formal and self-assessment follow up method. This compares to 65% last year. When this is analysed by follow up method the results are:

- Formal follow up method – 45% implementation rate.
- Self-assessment follow up method – 63% implementation rate.

In terms of the specific results, the following points should be considered:

- Formal follow up – The implementation rate of 45% has decreased since last year (53%). However, this may reflect the smaller number of actions followed up by this process in the current period.
- Self- assessment – The rate of implementation has also decreased since last year (72%). This may reflect that additional scrutiny is now being applied to self-assessments with clarity being sought where managers do not provide sufficient information to support their assessment.

Directorate trackers are in place for each Director to assist them to monitor progress and ensure that actions will be implemented by the due date. In addition, the quarterly performance indicator forms part of the Leadership Board dashboard. Further measures have also recently been taken 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. The Chief Internal Auditor is due to attend Leadership Board in April 2026 to discuss the follow up process further.

- 2.6 **Proposed Way Forward for Dealing with Outstanding Actions** - After the follow up has been completed, the results are collated within Internal Audit. If progress is not consistent with expectations, audit management will determine the next course of action.

Based on the reasons for the lack of progress, the following courses of action are available:

- Revised implementation dates are agreed for outstanding actions.
- Concerns raised through the management structure to ensure senior managers are aware of both the lack of progress made and the risks still facing a service.
- As a last resort, to ask the Audit and Procurement Committee to intervene and seek prompt action from the relevant manager.

The proposed actions for the audits where recommendations remain outstanding are highlighted within Appendices One and Two.

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 implementing audit recommendations ensures that the Council meets its statutory obligations in respect of maintaining an effective 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 Service 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.
- 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

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Co-ordinator	Law, Governance and Safer Communities	25/2/2026	25/2/2026
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 for submission: (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

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Appendix One – Results of Formal Follow Up Exercise

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Additional Comments
Business Rates 24/25	2	0	13	7	Subject to a further formal follow up
CareDirector 24/25	0	0	8	5	
Management of Plant and Equipment	2	0	3	1	Subject to a further formal follow up
Transparency Code	4	2	1	0	
Total	8	2	25	13	

Revised implementation dates have been agreed for all outstanding actions, and these will be followed up through a further formal follow up / the self-assessment process

Appendix Two – Results of Self-Assessment Follow up Exercise

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Additional Comments
Sports asset maintenance programme	1	1	3	3	
Statutory compliance	4	4	1	1	
Longford Park Primary School	2	0	12	9	
Repairs and Maintenance	3	3	0	0	
Asset Management Leavers	0	0	1	1	
Housing Benefit Subsidy	0	0	5	5	
Waste Services Working Arrangements	5	2	5	2	
Cyber Security	6	4	6	4	
Hollyfast Primary School	0	0	1	1	
Stoke Primary School	2	1	1	0	
John Gulson Primary School	2	1	3	2	
Whitmore Park Primary School	1	0	3	3	
Off Contract Agency Spend	1	0	5	3	
Willenhall Community Primary School	2	1	6	3	
Software Asset Management	0	0	1	1	
Plas Dol-y-moch Recruitment	0	0	1	1	
Health Visitors Contract	0	0	2	2	
Register Office	0	0	1	0	
Energy Billing	0	0	4	3	
Allesley Primary School	0	0	1	1	
Mobile Devices	0	0	1	1	
Home to School Transport Assistance	0	0	2	2	

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Additional Comments
Budgetary Control	0	0	1	0	
Payment Kiosks	0	0	4	1	
Housing Benefits and Council Tax Support	0	0	2	2	
ICT Equipment Physical Security Controls	0	0	5	3	
Howes Community Primary School	2	2	5	2	
Stivichall Primary School	1	1	7	5	
Council Tax Arrears	0	0	1	0	
Accounts Payable	0	0	1	0	
Homelessness	0	0	3	3	
Emergency Planning and Business Continuity	1	1	4	4	
Deprivation of Liberty Safeguards	1	1	2	1	
Group Governance Review	2	0	12	10	
End User Computing	0	0	4	1	
Enabling Attendance	1	0	2	0	
Corporate Income	0	0	4	4	
Henley Green Primary School	2	0	15	8	
Longford Park Primary School	2	0	4	1	
Ernesford Grange Primary School	4	2	13	6	
Implementation of new IT Systems / Upgrades	1	1	7	7	
Sowe Valley Primary School	4	3	9	5	
CMH Management of Conflicts of Interest	1	1	0	0	

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Additional Comments
Pre-employment Checks	2	0	7	1	Progress delayed due to restructure / staffing changes
Spon Gate Primary School	2	2	4	2	
Grangehurst Primary School	2	2	10	10	
Total	57	33	191	124	

Revised implementation dates have been agreed for all outstanding actions, and these will be followed through a further self-assessment.