Appendix 1 – Internal Audit plan update
Internal Audit Annual Report – 2025/26
Audit and Corporate Governance Committee 7 July 2026

1. Introduction
This Appendix provides a summary of the 2025/26 Internal Audit Plan that was agreed by the Committee in April 2025. It shows the indicative scope as well as the status of each audit. It is included to provide Committee with assurance that the annual audit plan, which is the key vehicle for providing the Committee with independent assurance, is being effectively delivered.

2. Summary of Assurance Ratings
The table below provides an overall summary of the assurance ratings. A detailed summary of the status and outcomes of individual audit reviews is included in the detailed plan update section further below.

**Denotes reviews related to areas of principal risk as listed in the Council's Principal Risk Report*
*** Denotes reviews where it was considered appropriate to produce a management letter rather than an assurance report based on the nature of the work and the outcomes*

No	Reference	Audit title	Assurance rating
Planned reviews where an assurance opinion was provided			
1.	CS24-3	**Staff expenses**	Limited assurance
2.	SC24-5	**Breakdown in community cohesion***	Moderate assurance
3.	SC25-3	**Tenant Management Organisation (TMO)* - Agar Grove**	Moderate assurance
4.	CC25-2	**Community Investment Programme (CIP)***	Moderate assurance
5.	CS25-1	**Key financial systems (KFS) – Accounts Payable***	Limited assurance
6.	CS25-3	**KFS – Council Tax and Business Rates***	Moderate assurance
7.	CS25-4	**KFS – Payroll***	Moderate assurance
8.	CS23-8	**Insurance**	Moderate assurance
9.	CS25-10	**Health and safety - occupational***	Moderate assurance

10.	SC25-1	**Commercial property**	Limited assurance

Reviews where a management letter is usually provided		
11.	SC24-8	**Coroner's Court Accounts – 2023/24**
12.	SC25-4	**Coroner's Court Accounts – 2024/25**
13.	SPC25-2	**Schools' Financial Values Statement***
14.	SPC25-3	**Single Children's and Families Grant***
15.	CS25-5	**Compliance with the CIPFA Financial Management Code***
16.	CS25-9	**Voluntary Sector Organisations**
17.	SC25-5	**Bus Service Operators Grant (BSOG)**
Reviews where a management letter was considered appropriate*		
18.	CS24-5	**IT review – Northgate***
19.	CS25-7	**PCI-DSS compliance**
20.	CC24-1	**Savings programme and Medium-Term Financial Risk***
21.	CC25-1	**Financial resilience and strategy***
22.	SC25-2	**Temporary Accommodation – Private Rented Scheme***

3. 2024-25 planned reviews brought forward to 2025-26

Ref	Audit title	Indicative scope	Status – June 2026
CC24-1	**Savings programme and Medium Term Financial Risk***	An on-going programme of assurance against this area of principal risk. The scope will focus on key programme risks and will also include a follow up of previous audit recommendations.	Completed. As previously reported, the planned focus of this review was a follow up of previously agreed recommendations. The follow up was reported as part of the 2025-26 Financial resilience and strategy review outlined below (CC25-1).
CS24-3	**Staff expenses**	A risk based review focussed on key controls related to staff expenses.	Completed - Limited assurance Two high priority and two medium priority recommendations were made and were previously reported to Committee.
CS24-5	**IT review – Northgate***	A risk based review focussed on permission and access controls in the NEC Housing system (Northgate) including contractor access and interfaces with Rocc and Oracle.	Completed – A management letter was issued Three high, four medium and one low priority recommendations raised. Further details of high priority recommendations can be found in Appendix 2. Five medium priority recommendations were made in relation to the following areas: - The regular review of the Acceptable User Policy; - The inclusion of roles and responsibilities and access requirements in the policy statement; - Monitoring of worker role activity; - Formal reports to ensure that the user database remains up to date; - Increasing awareness of the policy which sets out service responsibilities for monitoring access control.

SC24-5	**Breakdown in community cohesion***	Risk based review focused on actions to mitigate existing and emerging risks. The review will include a follow-up of previous open audit recommendations.	Completed - Moderate assurance Two medium priority recommendations were made in relation to the following areas: - Formalising Camden's strategic approach to community cohesion and setting clear and measurable objectives; - Establishing internal and external reporting arrangements.
SC24-8	**Coroner's Court Accounts 23/24**	Annual certification of accounts, to include follow up of recommendations made during the 23-24 review.	Completed. A memorandum was issued in relation to the certification of the 2023/24 accounts and a further management letter was issued detailing with control observations. The management letter also reported that moderate progress has been made in relation to the implementation of previously agreed actions. A further review was undertaken in Q3 2025-26 (SC25-4 below) in relation to the 2024/25 accounts.

4. 2025-26 Internal Audit plan update

A. Cross cutting reviews (including programmes)

Ref	Audit title	Indicative scope	Status – June 2026
CC25-1	**Financial resilience and strategy***	An on-going programme of assurance against this area of principal risk. The scope will focus on key programme risks.	Fieldwork has been completed and a management letter was shared with the auditee to provide a management response. Six medium priority findings were made in relation to the following areas:

			- Self-evaluation of current structure and capacity for financial and capital programme management; - Implementation of recommendations made in prior audit reports for financial and performance reporting; - External review of medium-term financial planning; - Ongoing monitoring of risks associated with Camden's strategic suppliers and business partners; - Review of investment methodology and capital programme; - Balance sheet monitoring and reporting.
CC25-2	**Community Investment Programme (CIP)***	An on-going programme of assurance against this area of principal risk. The scope will be considered in-year and will include a follow up of previous audit recommendations.	Fieldwork has been completed and a draft report was shared with the auditee to provide a management response - Moderate assurance One medium priority recommendation was made in relation to formalisation of documentation detailing payment processes and budget reapproval requirements.

B. CORPORATE SERVICES

Ref	Audit title	Indicative scope	Status – May 2026
CS25-1	**Key financial systems (KFS) – Accounts Payable***	A risk-based review focussed on key controls.	Completed - Limited assurance Three high priority and two medium priority recommendations raised. Further details of high priority recommendations can be found in Appendix 2 Medium priority recommendations were raised in the following areas: - regular review and validation of exception reports and supplier balances; - further enhancement of current controls around the validation of changes to suppliers' bank details.
CS25-2	**KFS – Accounts Receivable***	A risk-based review focussed on key controls.	The review was initially planned for Q4 25/26. However the review was deferred at the request of the auditee due to changes in the operating model, including the introduction of a new income management system. The review will take place once the system is operational in Q3-Q4 26/27.
CS25-3	**KFS – Council Tax and Business Rates***	A risk-based review focussed on key controls.	Completed - Moderate assurance Two high priority and three medium priority recommendations were made in the following areas: - Suspense account oversight; - Lack of formal property-level reconciliation and independent review of council tax and NNDR processes;

			- System configuration and data integrity issues impacting billing processes in council tax and business rates; - Lack of independent review and documentation of the reconciliation between Civica and Oracle.
CS25-4	**KFS – Payroll***	A risk-based review focussed on key controls.	Completed - Moderate assurance Two medium priority recommendations were made in relation to the following areas: - Documentation of roles and responsibilities; and - The formalisation of a risk register.
CS25-5	**Compliance with the CIPFA Financial Management Code**	Compliance-based review to assess compliance with CIPFA's Financial Management Code.	Fieldwork has been completed and a management letter was shared with the auditee to provide a management response. Recommended actions to enhance compliance were incorporated in the action plan for the cross-cutting review of Financial Resilience and Strategy (as outlined at CC25-1 above)
CS25-6	**IT audit***	The scope of this review will be considered in-year and will include a follow up of previous audit recommendations.	The outcomes of the PCI-DSS and Northgate reviews are listed elsewhere in this appendix and follow-up of these recommendations is planned for 26/27.
CS25-7	**PCI-DSS compliance**	Review of the Council's compliance with PCI-DSS (Payment Card Industry Data Security Standard	Completed. A management letter was issued Two high priority and four medium priority recommendations were made. Further detail of the

			high priority recommendation is included at Appendix 2. Four medium priority recommendations were raised in the following areas: - The development of a risk register; - Accountability and controls pertaining to record keeping; - Asset register and device monitoring; - Income management privacy of information policy and user access permission;
CS23-8	**Insurance**	A risk-based review focussed on key controls related the Council's insurance function. The scope will be agreed in-year.	Completed - Moderate assurance Seven medium priority recommendations were made in relation to the following areas: - Risk management; - Claims handling process; - Liaison with departments; - Insurance activity monitoring; - Role definition and resource oversight; - Review of the consortium agreement; - Insurance process manual.
CS25-9	**Voluntary Sector Organisations**	Provision of internal controls and risk support for the Community Partnerships Team throughout the year.	Completed. The Internal Audit team supported the VSC team with development of a governance checklist which can help funded organisations to support good governance.

CS25-10	**Health and safety - occupational***	A risk-based review focussed on key control risk. The scope will be agreed in-year.	Completed - Moderate assurance Four medium priority recommendations were made in relation to the following areas: - Reporting delays; - Centralised logging; - Oversight responsibilities; - Key performance indicators.

C. COMMUNITIES

Ref	Audit title	Indicative scope	Status – May 2026
Investment, Place and Opportunity			
SC25-1	**Commercial property**	A risk-based review focussed on key control risk. The scope will be agreed in-year.	Completed- Moderate assurance One high priority and two medium priority recommendations made in the following areas: - Review and formalisation of the service's approach to debt management; - Formalisation of the service's objectives and risk management strategy; - Formalisation of procedures to track and resolve property issues reported by tenants.
SC25-4	**Coroner's Court accounts – 2024/25**	Annual certification of accounts, to include follow up of recommendations made during the 23-24 review.	The certification was completed and a controls observations were shared.
SC25-5	**Bus Service Operators Grant (BSOG)**	Review and sign off claims.	Completed. The Department for Transport provides the grant for the provision of community transport services. Internal Audit reviewed the claim to confirm, based on the samples tested, that expenditure met the requirements of the grant.

Supporting Communities			
SC25-2	**Homelessness and temporary accommodation***	A risk-based review focussed on key control risk. The scope will be agreed in-year.	Due to current resource constraints, the auditee was not able to support the broader Internal Audit review initially planned in 2025/26. The review has therefore been scheduled for Q2 2026/27. The 25/26 review focussed on the Private Rented Sector (PRS) scheme. Fieldwork has been completed and a draft management letter was shared with the auditee for a management response. Six high priority recommendations were made as included at Appendix 2. Four medium priority recommendations were made in relation to the following areas: - The level of budget monitoring; - Declarations of interest for service staff; - A service level risk assessment; - The completeness of operating procedures.
SC25-3	**Tenant Management Organisation (TMO)***	A risk-based review of the governance framework and key controls at a TMO to ensure compliance with the MMA, focusing on financial management to ensure funds are managed and spent appropriately, delivering value-for-money for residents.	Completed – Agar Grove TMC Moderate assurance. Two medium priority recommendations were made in relation to the following areas: - Approval of bank reconciliations; and - Approval of purchase card statements.

D. PEOPLE

Ref	Audit title	Indicative scope	Status – May 2026
Children and Learning			
SPC25-1	**Schools – establishments reviews***	Risk-based review of seven schools, including three deferred from 2024-25.	1) **Great Ormond Street Hospital School** Completed - Moderate assurance 2) **Frank Barnes School for Deaf Children** Completed - Moderate assurance 3) **Maria Fidelis Roman Catholic Convent School** Completed - Moderate assurance 4) **William Ellis School** – Deferred to Q2 26/27 at request of the school. Fieldwork commences June 2026 5) **Fitzjohn's Primary School** Completed - Moderate assurance 6) **Holy Trinity CofE Primary School NW3** Completed - Moderate assurance 7) **Robson House - Primary PRU** Completed - Moderate assurance 8) **Richard Cobden Primary (24-25)** Completed - Moderate assurance

			9) **La Sainte (24-25)** Completed - Moderate assurance 10) **Primrose Hill (24-25)** Completed - Moderate assurance
SPC25-2	**Schools' Financial Values Statement***	Review and sign off of 2022-23 statements produced by schools.	Completed. The Internal audit team completed the appropriate checks and a sample test and, based on the evidence reviewed, supported the Chief Financial Officer's signature being applied to the statement.
SPC25-3	**Single Children's and Families Grant***	A review to provide assurance that the service retains a robust level of scrutiny and oversight in light of Earned Autonomy.	Completed. Following turnover in the team managing the grant, Internal Audit met with auditee to advise on maintaining internal controls and record keeping to ensure timely and accurate returns to central government.
Adults and Health			
FW-UP	**Follow Up Reviews**	Follow up reviews to assess the level of implementation of open audit recommendations. This mainly includes: • Modern day slavery; • Health and social care integration - system and information accessibility; • Mental Health and Learning Disabilities.	An update is provided at Appendix 3

5. Additions and deferrals

This section outlines additions and deferrals that were made to the plan as approved by the Committee in April 2025.

5.1 Additions

Four key additional reviews have been undertaken in the 2025/26 year as follows:

1. Warmer Homes
2. Non-statutory grants
3. Family Hub
4. SEND Change Programme

5.2 Deferrals

The following deferrals were made from 2025/26 at the request of auditees as outlined above. The audit reviews will proceed in 2026/27.

1. KFS – Accounts Receivable
2. Homelessness and temporary accommodation (broader Internal Audit review initially planned for 25/26)
3. William Ellis School

End