
**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

**Internal Audit Progress Report
New Forest District Council – February 2026**

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1. Internal Audit Mandate

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

'5. (1) 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.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—

(a) make available such documents and records; and

(b) supply such information and explanations

as are considered necessary by those conducting the internal audit.'

The role of internal audit is best summarised through its definition within the Standards, as an:

'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.'

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

2. Internal Audit Standards

With effect from 1 April 2025, the 'Standards' against which internal audit within the public sector must conform are those laid down in the Global Internal Audit Standards, 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. The collective requirements are referred to as the Global Internal Audit Standards in the UK Public Sector.

3. Purpose of Report

In accordance with proper internal audit practices (Global Internal Audit Standards in the UK Public Sector), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to Senior Management and the Audit Committee, summarising:

- The monitoring of 'live' internal audit reports
- an update on progress against the annual audit plan and any subsequent revisions
- acknowledgement of any actual or perceived impairments to internal audit independence
- internal audit performance, planning and resourcing issues
- results of audit assignments and insights.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of controls in place focusing on those designed to mitigate risks to the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

Substantial

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Reasonable

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited

Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

No

Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

4. Resourcing

As Chief Internal Auditor I maintain responsibility for ensuring that there is a sufficient level of resource available, supported by an appropriate range of knowledge, skills, qualifications and experience to deliver the internal audit plan (2025-26) and in the fulfilment of the audit mandate and delivery of the internal audit strategy.

- **Human Resource** - the Southern Internal Audit Partnership has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and risk-based audit plan.
- **Financial Resource** - the Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit mandate and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.
- **Technological Resource** - the internal audit function has the technology to support the internal audit process and regularly evaluates technological resources in pursuit of opportunities to improve effectiveness and efficiency.

5. Independence

As your chief internal auditor, I retain no roles or responsibilities that have the potential to impair my independence, either in fact or appearance. Internal auditors engaged in the delivery of the 2025-26 internal audit plan have had no direct operational responsibility or authority over any of the activities reviewed. I can confirm there has been no interference encountered relating to the scope, performance, or communication of internal audit work during the year to date in the delivery of the internal audit plan or the fulfilment of the internal audit mandate.

6. Impairments

There have been no impairments to internal audit activity during the year. The internal audit function has remained free from all conditions that threaten our ability to carry out responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. The internal audit team have maintained an unbiased mental attitude allowing them to perform engagements objectively enabling them to believe in their work product, with no compromise to quality, and no subordination to their judgment on audit matters, either in fact or appearance.

7. Rolling Work Programme

The internal audit plan for 2025-26 was originally presented to Senior Management and approved by the Audit Committee in March 2025. The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed below.

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
Town and Parish Councils – Shared Delivery Arrangements *	ADPO	02.09.24	07.10.24	11.11.24	12.05.25	23.01.26	Limited	* Included within 24-25 Annual Conclusion Report therefore excluded from 25-26 performance.
Environmental Enforcement - Clean Streets *	SDH&C	30.11.23	16.01.24	03.03.24	20.12.24		Limited	
Cemeteries *	ADPO	15.11.24	05.12.24	07.01.25	28.02.25	08.01.26	Reasonable	
Keyhaven – Income & PCard Expenditure *	SDH&C	10.12.24	20.01.25	20.01.25	24.04.25		Reasonable	
Corporate Plan and Performance Management	ADT	08.01.25	09.05.25	19.05.25	11.07.25	30.09.25	Substantial	
Transformation	ADT	30.07.25	16.10.25	10.11.25	22.12.25	26.01.26	Substantial	
Corporate Governance Framework – Complaints	SDCR	15.05.25	04.06.25	30.06.25	05.09.25	14.10.25	Substantial	
Asset Management – Corporate Estate	SDCR	27.01.26	20.02.26 (draft)					Fieldwork Mar-Apr.
Investment Property Management	SDCR	13.08.25	08.10.25	03.11.25	25.02.06			
Information Governance – SAR & DP2	SDCR	11.12.25	09.02.26					Fieldwork Mar-Apr.
Procurement	ADFIN	11.09.25	10.10.25	22.10.25	25.02.26			
Business Continuity	SDH&C	06.10.25	25.11.25	25.11.25				Fieldwork complete. Under management review. Close to be arranged.
Emergency Planning	SDH&C	06.10.25	19.11.25	24.11.25				Fieldwork complete. Under management review. Close to be arranged.

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
Risk Management	ADT	15.01.26	16.02.26					Fieldwork Mar-Apr.
HR – Workforce Strategy and Wellbeing	ADT	16.10.25	11.12.25	10.02.26				
Safeguarding	SDH&C	22.09.25	30.10.25	06.11.25	19.01.26			
Treasury Management	ADFIN	12.12.24	27.01.25	12.05.25	10.09.25	02.10.25	Substantial	
Council Tax	SDCR	16.07.25	30.07.25	12.08.25	30.09.25	21.10.25	Reasonable	
Accounts Receivable & Debt Management	ADFIN	26.01.26	26.02.26					Fieldwork Mar-Apr.
Main Accounting and Reconciliations	ADFIN	16.09.25	12.11.25	27.11.25				Fieldwork complete. Under management review. Close to be arranged.
IT – Firewall Management and Monitoring	ADT	23.01.25	24.02.25	13.11.25				Fieldwork complete. Under management review. Close booked 23.03.26
Cyber Security Training and Awareness	ADT	13.05.25	23.06.25	14.07.25	22.09.25	16.10.25	Reasonable	
IT Disaster Recovery and Service Continuity	ADT	06.10.25	22.10.25	12.12.25				Fieldwork complete. Under management review. Close booked 25.03.26
Licensing (Temporary Event Notices, Premises and Personal Licenses)	SDH&C	06.02.25	03.04.25	12.05.25	30.07.25	26.08.25	Substantial	
Planning/Development Management	SDPOS	31.07.25	29.09.25	23.10.25	16.12.25			
Engineering works	ADPO	23.06.25	05.08.25	04.09.25	13.10.25	20.01.26	Limited	
Taxi Vehicle Licensing	SDH&C	14.01.26	20.02.26 (draft)					Fieldwork Mar-Apr.
Tenant Engagement	ADH	14.05.25	14.07.25	02.09.25	15.10.25	29.10.25	Reasonable	
Housing Asset Management – Analogue to Digital Switchover	ADH	22.10.25	25.11.25	05.12.25	10.02.26			
Housing Asset Management – Fire Safety	ADH	08.08.25	26.09.25	05.12.25				

Audit Review	Sponsor	Scoping Held	ToR Issued	Fieldwork Start	Draft Report	Final Report	Assurance Opinion	Comment
Waste Rollout – Phase Three (Bin order and delivery)	SDCR	10.12.25	19.12.25	05.01.26	26.02.26			

Audit Sponsor		Audit Sponsor	
Chief Executive	CX	Strategic Director Place, Operations & Sustainability	SDPOS
Chief Operating Officer / Deputy Chief Executive	COO	Assistant Director Place Operations	ADPO
Assistant Director Transformation	ADT	Assistant Director Place Development	ADPD
Assistant Director Strategy and Engagement (Monitoring Officer)	ADS&E	Strategic Director Housing & Communities	SDH&C
Strategic Director Corporate Resources (S151)	SDCR	Assistant Director Housing & Communities	ADH&C
Assistant Director Finance	ADFIN		

8. Adjustments to the Internal Audit Plan 2025-26

Internal Audit focus continues to be proportionate and appropriately aligned. The plan remains fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, Senior Management, and the Audit Committee, to ensure internal audit are able to react to new and emerging risks and the changing needs of the Council.

Such amendments to the 2025-26 internal audit plan are detailed below with explanations for the proposed amendments.

Additions	Audit Review	Reason for inclusion in the plan
	Waste Rollout – Phase Three (Bin order and delivery) *	Direct request from the Council to assess the processes and controls for bin ordering and delivery for phase three of the new waste collection service.
Withdrawals	Audit Review	Reason for removal from the plan
	Open spaces *	Defer the audit due to on-going activity within the service to implement actions arising from previous audit reviews / to progress identified developments.
	Application Product Management	It is proposed to defer both ICT reviews to 2026-27 given there will be 3 ICT audits completed in 2025-26. Both NFDC ICT and SIAP have identified that there is not the capacity to facilitate a further two ICT audits within the remaining time available in 2025-26.
Vulnerability Management		

* NB previously reported and agreed

9. Acceptance of Risk

Internal audit reporting protocols are in place to ensure that the scope of work and findings for all assignments are reported appropriately and that agreed management actions are approved by senior management.

Every effort will be made to resolve disagreements that may arise during the audit process. However, if, unresolved issues are considered by internal audit to fall outside of the Council's risk tolerance, these will be escalated to Senior Management and the Audit Committee as deemed necessary. There are no such instances to report from our delivery of the 2025–26 internal audit plan to date.

10. Executive Summaries of reports published concluding a 'Limited' or 'No' assurance opinion

Engineering Works		
Audit Sponsor	Assurance opinion	Management Actions
Assistant Director Place Operations	 Limited	 3 High  6 Medium  3 Low

Summary of key observations:

The 2022-23 Internal Audit review of Engineering Works concluded with a Limited Assurance opinion, identifying weaknesses in governance, operational processes and record-keeping across the service. While emergency works had been generally completed within required timescales and communication between supervisors and operatives was effective, there was reliance on a manual Job Log that did not support prioritisation or performance monitoring of the team. The audit also found an absence of documented procedures, lack of formalised roles and responsibilities, an unstructured paper-based filing system, and minimal forward planning from client services.

To assess the progress made in addressing the issues identified, a full internal audit review of the Engineering Works function was completed as part of the 2025-26 Internal Audit Plan. The purpose of the review was to assess the adequacy and effectiveness of arrangements in place for planning, prioritising, and managing engineering works, including both planned and reactive maintenance activities. This audit also concluded with a Limited Assurance opinion, reflecting on-going weaknesses across several aspects of governance, risk management, and operational control that require management attention.

The review found that while a new centralised system had been introduced to log and manage work requests, its reporting and data-analysis capabilities are not yet fully embedded. Testing of 30 work requests identified delays in completing jobs, with half of the sample not delivered within required timescales and several significantly overdue. Missing or incomplete data fields further reduced the reliability of records, and at the time of the audit, several jobs remained outstanding. The system's inability to generate performance-based reports was identified as a key barrier to effective oversight, limiting management's ability to monitor workload, track progress, or drive improvements through data-driven analysis. Subsequent to the audit, confirmation has been received that the rollout of Power BI reporting functionality, has been implemented to strengthen the information available with further refinement and enhancement expected to follow.

The audit also identified weaknesses in the documentation of operational processes. Evidence of site inspections was not consistently recorded, despite inspections being required before jobs are closed on the system, creating risks to quality assurance and service standards. In relation to risk

assessments, while all sampled works had an assessment in place, a number were only partially completed, lacking essential information such as attendance dates or operative names.

Management has agreed a number of actions to address these issues, with clear responsibilities and target dates set. Successful implementation is expected to improve performance monitoring, strengthen safety and quality assurance, and enhance operational resilience.

11. Analysis of 'Live Audit Reviews'

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions											
				Agreed			Pending			Complete			Overdue		
				L	M	H	L	M	H	L	M	H	L	M	H
Fleet Management (follow-up phase 2)	22.05.23	ADPO	Reasonable	2	3	4	-	-	-	2	2	4	-	1	-
Open Spaces and Playground Safety Checks	07.12.23	ADPO	Limited	3	7	2	-	-	-	3	4	-	-	3	2
Accounts Payable	13.06.25	ADFIN	Reasonable	2	3	-	-	-	-	2	2	-	-	1	-
Health and Safety	15.11.24	ADT	Reasonable	-	2	4	-	1	-	-	-	3	-	1	1
Information Governance – Data Retention/Records Management	16.04.25	SDCR	Reasonable	6	-	-	2	-	-	3	-	-	1	-	-
Housing Asset Management – Gas Safety	21.08.25	ADH	Reasonable	-	2	5	-	-	1	-	2	4	-	-	-
ICT Project Delivery	04.09.25	ADT	Limited	1	9	3	-	5	-	1	4	3	-	-	-
Corporate Plan and Performance Management	30.09.25	ADT	Substantial	5	4	4	-	-	-	5	3	4	-	1	-
Council Tax	21.10.25	SDCR	Reasonable	4	2	-	1	-	-	3	1	-	-	1	-
Cemeteries	08.01.26	ADPO	Reasonable	2	5	-	2	5	-	-	-	-	-	-	-
Engineering works	20.01.26	ADPO	Limited	3	6	3	2	4	1	1	2	2	-	-	-
Town and Parish Councils – Shared Delivery Arrangements	23.01.26	ADPO	Limited	1	9	1	1	9	1	-	-	-	-	-	-
Total				29	52	26	8	24	3	20	20	20	1	8	3

The management team have provided confirmation that all actions have been completed in respect of two previous audit review areas and are therefore not included within the table above. The respective review areas and report dates are:- Cyber Security Training and Awareness (Oct 2025) and Transformation (Jan 26).

Overdue 'High Priority' Management Action

Open Spaces – Playground Safety Checks

Observation: Guidance, policies and operational procedures

There are no current detailed procedure notes or guidance outlining the process and requirements within the Open Spaces Team, for example the criteria and timescales/frequency for maintenance checks. The Public Open Spaces Inspection Criteria Flowchart, which was last updated in Dec 2018, provides details of open spaces equipment to be checked and timescales however it does not appear that the flowchart has been revisited since its inception and there may be scope to reduce visits/inspection to certain sites based on guidance/legislation.

Risk: Hazards will not be identified and eliminated, which could lead to accidents and injuries.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
1.1 Critically review assets and inspection timescales based on 'Risk and Likelihood' and formalise site and play equipment inspection schedule. (to be appended to policy, as set out in Action 1.2)	31.03.24	30.10.25 04.02.26 (Requested)	Internal Audit note that a new Playground and Play Equipment Policy (Housing Landlord Services), was presented to EMT on 24 th February 2026, which will also apply to the play areas maintained by Open Spaces (pending confirmation).
1.2 Open Spaces to draft a Playgrounds and Play Equipment Policy covering the sites and equipment where compliance responsibility rests with Open Spaces. The policy will set out the purpose, legal requirements, responsibilities, methodology, arrangements, and process, set out a review period frequency and append a schedule of sites and equipment. The policy is to be presented to EMT and consulted through safety panels.	31.03.24	30.10.25 04.02.26 (Requested)	As above. NB There are also three medium priority overdue actions in relation to this audit which should be partially or fully addressed (pending confirmation).

Health & Safety

Observation: Contractor Health and Safety

The Health and Safety policy states that The Council's corporate Control of Contractors Policy identifies the key services who undertake construction and maintenance projects. The corporate policy requires these services to complete their own specific arrangements for the management of construction projects and the control of contractors. These arrangements must include roles and responsibilities, procedures, training requirements, procurement requirements and template documents.

Testing confirmed that a Control of Contractors policy is in place which includes detail on Health and Safety requirements for contractors, however this was last updated in 2021. The policy requires relevant areas of the Council to produce Standard Operating Procedures (SOPs) to enable compliance with regulations in this area. Testing found that the Operations Service had not yet produced a SOP as required.

Risk: Contractor Health and Safety may not be being addressed appropriately.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
2.1 Review the 2021 Corporate Control of Contractors Policy and communicate throughout the organisation (High priority).	n/a	n/a	This high priority action was completed at the time of the audit.
2.2 Ensure all control of contractors standard operating procedures are reviewed and submitted to the Control of Contractors Working Group for approve. Once approved communicate to all relevant employees (High priority).	01.04.25	31.03.26	<p>February 2026 update re the high and medium priority actions:</p> <p>Standard Operating Procedures (SOPs) for Corporate Resources & Transformation and Estates & Valuations have been implemented, are held on SharePoint and training has been provided to all relevant employees.</p> <p>SOPs for Housing and Communities were agreed in January. Formal cascade to staff & associated training is outstanding.</p> <p>SOPs for Place, Operations and Sustainability have been drafted and consultation has been undertaken with relevant services. Additional</p>

		<p>detail is required in relation to working with other services in the Council such as Housing. The SOPs will need to be considered and approved by the control of contractors working group.</p> <p>Due to staff changes and workload pressures, progressing the actions has been delayed.</p> <p>The provision of training is dependent upon completion of 2.2.</p>
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Annexe 2

Overdue 'Low & Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
Fleet Management (follow-up phase 2)	22.05.23	Reasonable		1	31.03.24	30.11.25 30.01.26 Requested
Open Spaces and Playground Safety Checks	07.12.23	Limited		1	31.03.24	30.10.25 04.02.26 Requested
				2	31.05.24	30.10.25 04.02.26 Requested
Accounts Payable	13.06.24	Reasonable		1	31.03.25	31.03.26
Health and Safety	15.11.24	Reasonable		1	01.08.25	31.03.26
Information Governance – Data Retention/Records Management	16.04.25	Reasonable	1		31.01.26	31.05.26
Corporate Plan and Performance Management	30.09.25	Substantial		1	30.11.25	Requested
Council Tax	21.10.25	Reasonable		1	30.11.25	30.06.26
Total			1	8		

Southern Internal Audit Partnership - Performance Measures

Performance Measure	Regularity	Target	Actual 25-26	Status	Direction of Travel
1. Percentage of the agreed audit plan completed (issue of draft / final report)	Ongoing	90%	56%		
2. Audits delivered within agreed timescales (% year to date)					
○ To issue of draft report	Ongoing	80%	20%		
○ To issue of final report	Ongoing	80%	33%		
3. Conformance with the Global Internal Audit Standards in the UK Public Sector	Annual	Generally conforms	Generally conforms		
4. Audits conducted optimising the effective use of data analytics (% year to date)	Ongoing	60%	53%		
5. Stakeholder satisfaction (annual survey)					
○ Audit Committee	Annual	90%	100%		
○ Senior Management		90%	94%		
○ Key Contacts		90%	99%		
6. Internal audit effectively communicates with key stakeholders					
○ Audit Committee	Annual	90%	100%		n/a
○ Senior Management		90%	100%		n/a
○ Key Contacts		90%	99%		n/a
7. Sufficiency of input to and discussion of the internal audit plan					
○ Audit Committee	Annual	90%	100%		n/a
○ Senior Management		90%	100%		n/a
8. Appropriate focus on key risks					
○ Audit Committee	Annual	90%	100%		n/a
○ Senior Management		90%	100%		n/a
○ Key Contacts		90%	100%		n/a

