

Internal Audit Progress Report

To: Audit and Accounts Committee

Meeting Date: 19 February 2026

From: Head of Internal Audit and Risk Management

Electoral division(s): N/A

Key decision: No

Forward Plan ref: Not Applicable

Executive Summary: The purpose of the report is to provide an update to Audit and Accounts Committee on the main areas of internal audit coverage for the period to 31 January 2026.

Recommendation: The Audit and Accounts Committee is recommended to note and comment on the contents of the report.

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1. Background

- 1.1 The role of Internal Audit is to provide the Audit and Accounts Committee and Management independent assurance on the effectiveness of the controls in place to ensure that the Council's objectives are achieved. Internal Audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve these objectives.
- 1.2 The annual Audit Plan is split out into two elements: the 'core' plan, comprising key areas of assurance that are reviewed every year and audit support work (e.g. to working parties or panels) which is ongoing throughout the year; and the 'flexible' plan, i.e. the areas of audit coverage that vary from year to year, with planned coverage based on a risk assessment process.

2. Main Issues

Please see the full Internal Audit Progress Report provided at Appendix 1 to this report.

2.1 INTERNAL AUDIT PLAN

- 2.1.1 Updates on the Internal Audit Plan 2025/26 are provided at Section 6 of the report and a full update on work currently underway is provided at Annex A to the report. Please note that a draft Audit Plan for the next four quarters is not provided at Section 6 as usual; this is because the flexible Internal Audit Plan for the next financial year is currently under development, in conjunction with members of the Council's senior management team, and will be presented for discussion at the next meeting of the Audit and Accounts Committee

2.2 OUTSTANDING AUDIT ACTIONS

- 2.2.1 Annex B details 87 outstanding audit agreed actions as at 31st January 2026, an increase of 15 compared to our previous report. This includes 15 actions due over 12 months ago, compared to 14 in this category in our previous report.
- 2.2.2 As requested, a new format of Table 8 at Section 7.1.4 has been provided. This shows the actions closed by each directorate in the period since the previous report, as well as the number of new actions which have become due for implementation in the same period.
- 2.2.3 There is one 'essential' recommendation overdue by more than 12 months from the DSG Safety Valve Audit which requires the service to make key amendments to the action plan (now the Inclusion for All Framework) to demonstrate how the service plans to fully meet the conditions of the Safety Valve Agreement with the DfE. There is one medium level recommendation overdue by three years from the DSG High Needs Block Demand Management audit, relating to implementing a training and conducting annual reviews; the Executive Director of Children, Education and Families has provided more context on this action at section 7.2 of the report.

2.2.4 Narrative updates on actions where the current target date is after 31st January 2026 have not been followed-up by Internal Audit in this reporting cycle and will be reported in the next Progress Report.

2.2.5 See Section 7 of the report and Annex B for more details.

2.3 RISK MANAGEMENT UPDATE

2.3.1 Section 8 of the Progress Report summarises risk management activity since the previous update and particularly highlights the escalation of Risk 15, “Non-delivery of SEND statutory timelines, financial risk of the DfE Safety Valve Agreement for Cambridgeshire and increase in DSG spend” to the Corporate Risk Register following agreement by the Corporate Leadership Team (CLT) during the CLT Risk and Assurance meeting in December 2025.

2.4 INVESTIGATIONS CASELOAD

2.4.1 Section 9 of the Progress Report summarises the open whistleblowing cases currently under review by the Internal Audit Team, as well as a short summary of all cases which have been closed by the Internal Audit team since the previous progress report, as requested by the Audit and Accounts Committee.

2.5 RESOURCE UPDATE

2.5.1 In January, the team welcomed an Interim Deputy Head of Internal Audit, who is providing cover while our Deputy Head of Internal Audit is on maternity leave.

2.5.2 The team are also delighted to report that all colleagues within Internal Audit and Risk Management who sat Chartered Institute of Public Finance Accountancy exams in December have passed. In particular, we would like to congratulate three members of the team who have passed their final CIPFA exams, and are now applying for full membership of the Institute and formal designation as Chartered Public Finance Accountants. This represents a significant personal achievement for these colleagues. It also demonstrates the team’s commitment to Global Internal Audit Standards 3.1 “Competency” and 3.2 “Continuing Professional Development”.

3. Significant Implications

3.1 This report is an information-only update and there are no significant implications to highlight.

4. Source Documents

4.1 None