

A woman with short curly hair, wearing a red lace-trimmed blouse and blue jeans, stands at a wooden conference table in a modern office. She is smiling and looking at a laptop. On the table are various items: a pen holder with pencils, a stack of colorful sticky notes, and a colorful folder. In the background, another person is seated at a table, and several black pendant lights hang from the ceiling.

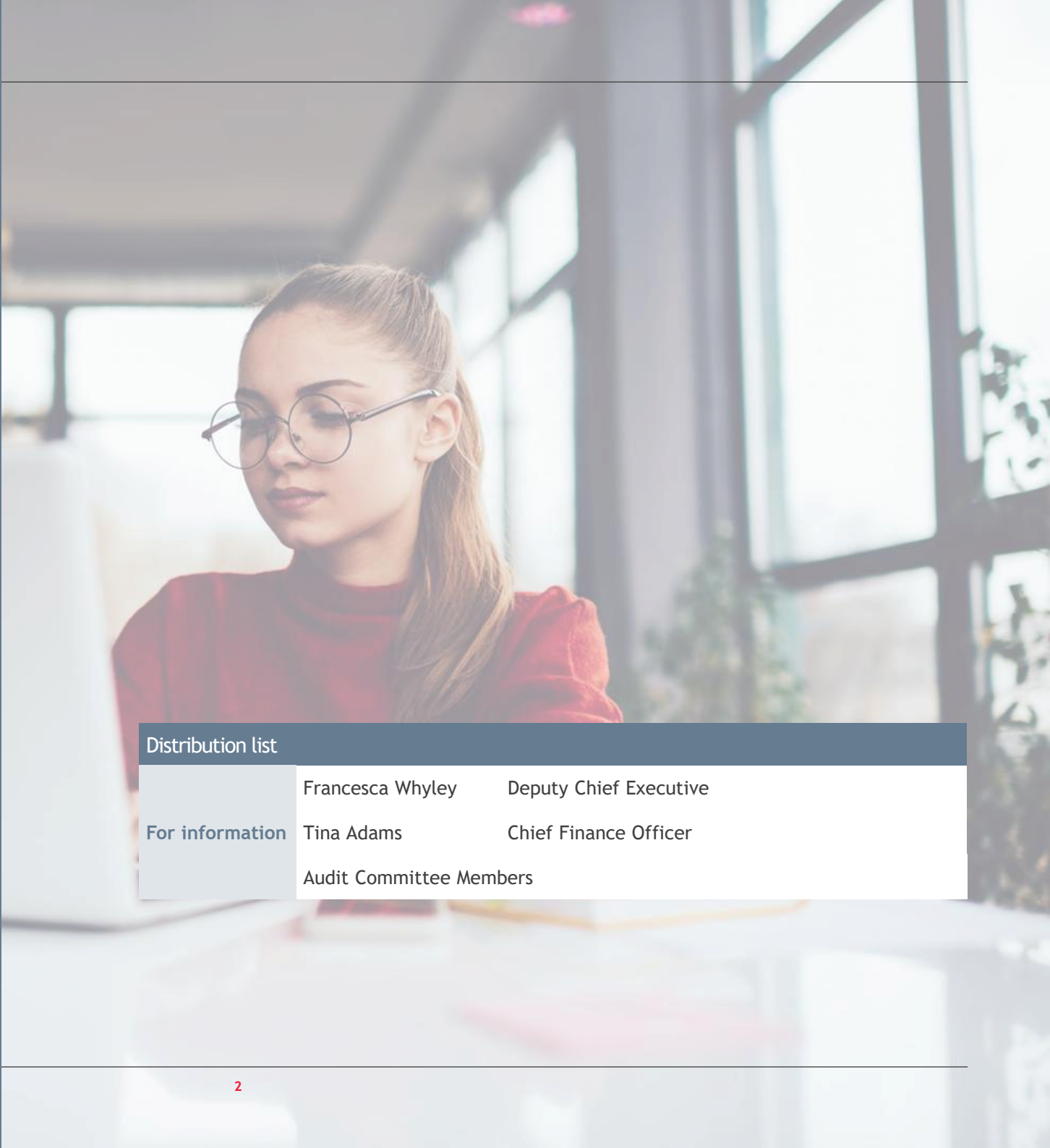
Gedling Borough Council
Internal Audit Annual Report and Opinion
June 2026

Contents

| | |
|--|----|
| 1. Executive summary | 3 |
| 2. Thematic reporting | 6 |
| 3. Summary of results | 8 |
| 4. Quality assurance | 10 |
| 5. Quality assurance improvement programme | 11 |
| 6. Annual attestation of independence | 12 |
| 7. Appendix I: Definitions | 13 |
| 8. Appendix II: Link to Strategic Objectives | 15 |

Restrictions of Use

The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.



Distribution list

| | | |
|------------------------|-------------------------|------------------------|
| | Francesca Whyley | Deputy Chief Executive |
| For information | Tina Adams | Chief Finance Officer |
| | Audit Committee Members | |

1.Executive summary

Introduction

Role of Internal Audit

Internal auditing strengthens the organisation’s ability to create, protect, and sustain value by providing Full Council* and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The primary responsibility of the internal audit service is to provide the Board with assurance on the adequacy and effectiveness of risk management, control and governance arrangements.

Responsibility for these arrangements remains fully with management, who should recognise that internal audit can only provide a reasonable level of assurance and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management improve risk management control and governance, so reducing the effects of any significant risks faced by the organisation.

Full Council is ultimately responsible for the system of internal control and the management of risk, including reviewing the effectiveness of internal control. Management is responsible for implementing board policies on risk and control, achieved by designing, operating and monitoring a suitable system of internal control and risk management. All employees have some responsibility for internal control, in that they are all accountable for achieving objectives and should also understand the risk implications of the activities they perform.

*The Global Internal Audit Standards (GIAS) refer to the ‘board’ as ‘the highest-level body charged with governance.’ For Gedling Borough Council, ‘the board’ is the Audit Committee (AC) acting on behalf of Full Council.

Planned coverage

Our internal audit work for Gedling Borough Council (the Council) covered the period 1 April 2025 to 31 March 2026 and was carried out in accordance with the Internal Audit Plan approved by the AC and in line with the recognised Global Internal Audit Standards (GIAS) from the Institute of Internal Auditors and the Internal Audit Standards Advisory Board’s Application Note for the GIAS in the UK Public Sector, which together comprise the ‘GIAS in the UK Public Sector’.

The internal audit programme is risk-based and our work is designed to align to key risks over the life cycle of the internal audit plan. The approved internal audit annual plan for 2025/26 comprised the following assignments:

-
- | | | | |
|----------------------------------|---------------------------------|------------------------|-----------------------|
| ▶ Asset Management - Residential | ▶ Asset Management - Commercial | ▶ People Services | ▶ Risk Management |
| ▶ Main Financial Systems | ▶ Cyber Security | ▶ Corporate Governance | ▶ FOIs and Complaints |
-

Changes to the plan

There were no changes to the Internal Audit Plan during 2025/26 and the plan was delivered in accordance with the approval from the AC on 18 March 2025.

Audit outcomes

The conclusions from our reports are summarised on pages 9 and 10. Key themes are summarised on pages 6 and 7.

Background to the Annual Opinion

Internal Audit is required to provide an opinion to Full Council, through the AC, on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation’s objectives in the areas reviewed. The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation’s risk management, control and governance processes, within the scope of work undertaken by us as outsourced providers of the internal audit service. It also summarises the activities of internal audit for the period.

1. Executive summary

Opinion

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness the Council's risk management, control and governance processes.

Opinion

Our opinion is as follows:

➔ Good

➔ Generally satisfactory with improvements required in some areas

➔ Improvements required

➔ Significant improvements required

Overall, the controls in the areas we examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements and value for money. However, there are some areas where weaknesses and/or non-compliance were identified and, therefore, may put the achievement of objectives at risk. No audits received no assurance ratings although we would draw attention to the People Services review which was the only limited assurance audit this year. Although, due to the Council's transition and change of governance structure, this was a known area of concern and action has been taken to improve controls in this area.

In other areas, we provided Substantial assurance over the design and/or effectiveness of controls. This demonstrates strength in key processes and compliance with these controls.

We have continued to experience strong levels of engagement from management and more broadly across the Council with internal audit, with the Council demonstrating a positive culture for improvement in controls. This was noted throughout the year on individual assignments and more generally, particularly during the audit planning phase where we engaged with Senior Leadership Team Members and Assistant Directors to prepare our risk-based internal audit plan.

Basis of opinion

As the provider of internal audit services to the Council, we are required to provide the Audit Committee and Full Council with an opinion on the adequacy and effectiveness of the risk management, control and governance processes.

In giving our opinion, it should be noted that the assurance can never be absolute. The most that Internal Audit can provide to the Board is reasonable assurance that there are no major weaknesses in the Council's risk management, control and governance processes.

In assessing the level of assurance to be given, we have taken into account:

- ▶ Our assessment of the design and operation of the underpinning risk management framework and supporting processes, including whether risk appetite has been established and embedded within the activities, limits and reporting of the organisation.
- ▶ The range of individual opinions arising from risk-based audit assignments that have been reported throughout the year; including the relative materiality of these areas.
- ▶ Management's acceptance of our audit recommendations.
- ▶ Management's progress in respect of addressing control weaknesses and implementing recommendations .
- ▶ Reliance placed upon other assurance providers which includes such as external auditors and benchmarking data provided by the Local Government Association and the Office For Local Government which show that the Council perform in line with other authorities on a range of metrics.
- ▶ The embedding of the new corporate governance structures and the widening of the Assistant Director roles to create more resilience among staff in senior roles.

This opinion is based on information provided between 1 April 2025 and 31 March 2026, and the projection of any information or conclusions contained in our opinion to any future periods is subject to the risk that changes may alter its validity.

1. Executive summary

Recommendation follow up

Management action on implementing recommendations

Implementation of recommendations is a key determinant of our annual opinion. If recommendations are not implemented in a timely manner, weaknesses in control and governance frameworks will remain in place. Furthermore, an unwillingness or inability to implement recommendations reflects poorly on management's commitment to the maintenance of a robust control environment.

Management have worked constructively with us on audit assignments to ensure that recommendations are effective and proportionate to the level of risk identified. Furthermore, in recognition of significant structural changes facing local government (with the announcement of local government reorganisation), management have collaborated effectively with us to ensure that recommendations were achievable, while mitigating the risk identified.






Historically, there were challenges with the timeliness of the implementation of audit recommendations. However, we worked with the Council to implement our audit actions onto Ideagen to align our follow up process with the Council's own internal performance reporting arrangements. We reported in our annual report last year that this had contributed to an improvement in the responses to our audit recommendations. While there remains room for improvement, there continues to be better responses and updates to our follow up.

Internal Audit performed follow up review periodically throughout the year to verify the status of the open internal audit actions. Overall, out of all internal audit actions that have been added to Ideagen, 65% have been fully completed or superseded. These had been completed on time or in accordance with the agreed revised due date. There were 35% of recommendations that were either not due or were overdue, with some progress being made for 15% of these. 20% of the recommendations were overdue and no progress had been reported on Ideagen. We will work with management to improve this further and to strengthen internal controls, however, this is a significant improvement to prior years where completion was below 50%. This has been driven by a strong culture for improvement and implementing historic recommendations by the Senior Leadership Team.








2. Thematic reporting

Throughout the 2025/26 internal audit plan, we have considered key findings against six core themes. Broadly, these themes were considering the following key questions:

| Area | Principle |
|---|--|
|  Statutory Compliance | <ul style="list-style-type: none">▶ Do the Council demonstrate compliance with statutory legislation in the areas covered in our audit plan?▶ Are adequate actions taken to ensure compliance with new or changes to legislation? |
|  Controls & Assurance | <ul style="list-style-type: none">▶ What first/second line controls are in place, and are these offering adequate comfort? Does the business obtain assurance from other sources?▶ Is the overall control framework fit for purpose? |
|  Documentation | <ul style="list-style-type: none">▶ What is the quality of the documentation? Is it user friendly, accessible, and easily understood?▶ Where are documents stored? Are policies up to date? |
|  Governance and Culture | <ul style="list-style-type: none">▶ Is there a good culture and governance from the top, contributing to a focus on improving internal controls and maintaining high standards? |
|  Resources | <ul style="list-style-type: none">▶ Where does responsibility sit? Do they have sufficient capacity?▶ Are people appropriately skilled and trained? Are there any cultural issues to note?▶ Are controls in place to reduce the risk of fraud, or to highlight instances where there may be higher risk of fraud within processes? |

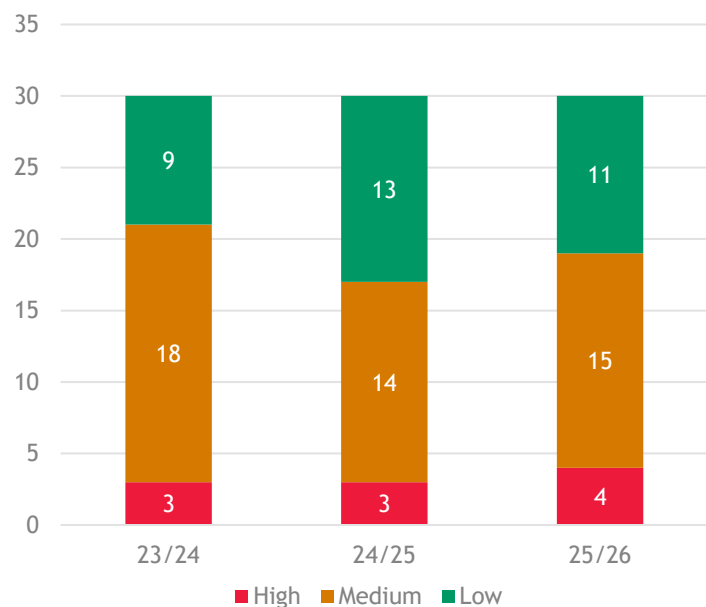
2. Thematic reporting

There was consistent trends around compliance with core processes and procedures, specifically where there is strict legislative requirements that must be adhered to. These themes presented well across the independent assurance programme for the year. Looking across the work we have completed, the themes where more recommendations have focused include on Documentation and Resources, occasionally where systems have not been fully used to their maximum capability to retain documentation. Resources are a significant challenge across most local authorities, with expectations that these will be perpetuated by the demands of local government reorganisation up to 2028.

| Area | Principle |
|---|---|
|  Statutory Compliance | <ul style="list-style-type: none"> ▶ In areas audited where there is statutory legislation that the Council must comply with there was strong levels of compliance identified, notably in the FOIs and Complaints audit where we found no significant exceptions to the Freedom of Information Act 2000. In cases referred to the Information Commissioners Office, these concluded that the Council followed the appropriate exemptions. ▶ Similarly, in other areas where there is statutory guidance, ie Asset Management - Residential, we did not find any significant non-compliance with legislative requirements. Compliance with statutory requirements is considered a core expectation of a local authority. |
|  Controls & Assurance | <ul style="list-style-type: none"> ▶ First line controls were identified across the organisation in all reviews undertaken, including preventative and detective controls although these could be developed further in places. However, on the whole these were proportionate to the level of risk. ▶ Management routines are in place to confirm compliance with approved procedures and the accuracy of data; although in some instances the evidencing of controls taking place could be strengthened, such as ensuring documentation of second line reviews. ▶ Our review of Risk Management identified that there was a Substantial design of controls to support the first line of defence, although, our review did identify improvements that could be made in the wording and documenting of controls on Ideagen. |
|  Documentation | <ul style="list-style-type: none"> ▶ Relevant systems were used wherever possible to maintain centralised and contemporaneous records such as through storage of documents, particularly in areas where these are required by statutory legislation. Although, there were some areas where documentation could be improved to demonstrate the completion of checks. ▶ Relevant policies and procedures were in place for the areas reviewed and these were accessible to relevant personnel as needed. There were some instances where policies had not been through the approval routes but were fit-for-purpose. |
|  Governance and Culture | <ul style="list-style-type: none"> ▶ Effective governance through the Council's corporate governance structure in overseeing the Council's significant programmes/projects, budgetary management and risk management. As part of the Corporate Governance review we observed some of these key meetings and noted that they generally operated effectively. ▶ There is transparent and regular reporting of performance to the Budget and Performance Board and on Ideagen, where monthly performance indicators are reported to facilitate the operational oversight activities. |
|  Resources | <ul style="list-style-type: none"> ▶ The Council have had resource and capacity limitations in recent years which has led to control effectiveness issues being identified. While there were service areas where control effectiveness issues continued to be impacted by resource limitations, and this may be perpetuated by uncertainty caused by local government reorganisation, resources were generally allocated adequately to maintain safe and legal processes. ▶ There were some issues with separation of duties caused by resource limitations to ensure these could be maintained. Although, the Council have taken steps to independently manage access to systems where a separation of duties could not be maintained. |

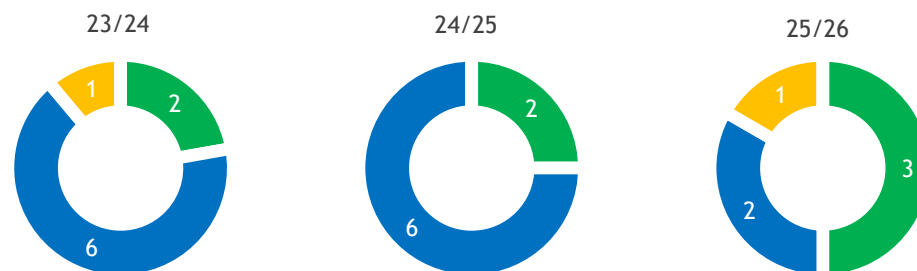
3. Summary of results

Findings by significance

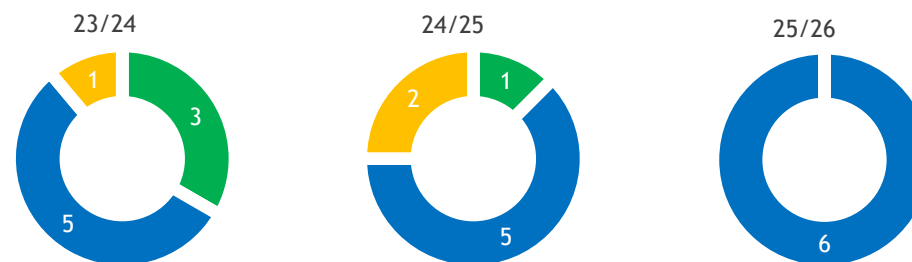


Assurance opinions

Control Design



Control Effectiveness



* NB. The above graphs do not include the Cyber Security internal audit opinion as this was a confidential report.

| Year | 2023/24 | 2024/25 | 2025/26 |
|----------------------------|---------|---------|---------|
| Assurance audits completed | 9 | 8 | 8 |
| Findings raised | 30 | 30 | 30 |
| Average per audit | 3.3 | 3.8 | 3.8 |

Comparison to prior year

- ▶ The total number of findings raised has remained stable with the two previous years, however, there has been a small increase in the number of High and Medium findings.
- ▶ There has been a reduction in the number of Assurance reviews completed, plus due to the confidential nature of the Cyber Security review, we have not reported this in our charts. The control design and effectiveness opinions have remained reasonably consistent, although there was one Limited opinion on the design of controls in 25/26. There were no Limited opinions on the effectiveness of controls.

3. Summary of results

Within the year, we produced eight audit reports, one which was advisory. We set out below our summary of the audits completed, the significance of recommendations raised, our opinions on control design and operational effectiveness, a comparison against the original IA plan and the link to the relevant strategic risk/objective.

The definitions of recommendation significance and report conclusions are set out in the tables in Appendix I. The Audit Plan is mapped to the strategic objectives in Appendix II.

| Audit | Type of review | Recommendations and significance | | | Overall report opinion | | Strategic Risk Register Reference |
|--------------------------------|----------------|----------------------------------|--------|-----|---|---------------------------|--|
| | | High | Medium | Low | Control design | Operational effectiveness | |
| Asset Management - Residential | Assurance | - | 2 | 1 | Moderate | Moderate | CR002 - Capacity Service Delivery: This is about ensuring that sufficient capacity is available to deliver services which meet statutory obligations, Council objectives etc and public expectation. CR007 - Infrastructure Assets: This looks at the loss, protection and damage of physical assets and takes into account the need to maintain, protect, insure and plan for unexpected loss. |
| Asset Management - Commercial | Assurance | - | 2 | 2 | Moderate | Moderate | CR007 - Infrastructure Assets: This looks at the loss, protection and damage of physical assets and takes into account the need to maintain, protect, insure and plan for unexpected loss. |
| People Services | Assurance | 1 | 4 | - | Limited | Moderate | CR002 - Capacity Service Delivery: This is about ensuring that sufficient capacity is available to deliver services which meet statutory obligations, Council objectives etc and public expectation. |
| Risk Management | Assurance | - | 3 | - | Substantial | Moderate | All Risks. |
| Main Financial Systems (Fraud) | Advisory | 3 | - | - | This was an Advisory Review where an opinion was not provided | | CR011 - Fraud Bribery Misconduct: Relates to improper actions committed against the Council either internally or by third parties. Including frauds, bribery, money laundering and misconduct e.g., theft, falsification of timesheets. |
| Cyber Security | Assurance | - | 2 | 2 | This was a confidential report so we do not publish the opinion for this review | | CR009 - ICT Technology: This relates not only to the impact of internal technology failure but also changing technological demands and the ability to meet the pace and scale of change. |
| Corporate Governance | Assurance | - | 1 | 2 | Substantial | Moderate | All Risks. |
| FOIs and Complaints | Assurance | - | 1 | 4 | Substantial | Moderate | CR008 - Legislative: This refers to changes to and breaches of current law leading to additional workloads, fines, intervention by regulatory bodies etc. |

4. Quality assurance

As a firm we are committed to continual improvement. To achieve this, we apply the latest internal quality standards, which are designed to ensure that the work we perform meets the requirements of the regulatory environment within which each of our clients operates. The provision of Internal Audit services rests with a team of dedicated internal audit professionals who form part of a national Risk and Advisory Services (RAS) team.

Qualifications, Training And Development

It is our policy that staff engaged in the provision of a specialist service be qualified in the relevant professional discipline. In Internal Audit, staff are qualified or are studying for the exams by the Chartered Institute of Internal Auditors, or for a professional accountancy body.

Qualified staff are required to retain commitment to their professional body after their qualification and the firm is committed to continuing professional education and provide staff access to quality training programmes.

Quality assurance processes

We adopt the following processes in order to ensure that the internal audit work we perform meets our required quality standards:

- ▶ **Documented standards** - the fundamentals of our auditing standards are set out within our audit manual and related documentation. Our audit methodology complies with current best practice, Global Internal Audit Standards and GIAS in the UK public sector.
- ▶ **Annual plan** - A risk-based approach is taken to determine the annual plan.
- ▶ **Planning** - each assignment is planned based upon a thorough understanding of the business area being audited and the risks that are associated with that area. All assignments are supported by briefing documents agreed in advance with the client.
- ▶ **Quality assurance** - the work conducted to meet the requirements of each assignment brief is subject to a full client debrief and to manager review within the audit team before a final draft report is issued. All finalised reports are approved and signed off by a licence holder (Partner or Director).
- ▶ **Cold reviews** - we also adopt a cold review process where samples of the work performed by the internal audit team are reviewed to ensure that they meet our own internal standards. These reviews are conducted by professionals outside of the team which conducted the work. The work of cold review is subject to our National Quality Review processes, aimed at ensuring consistency of standards adopted within the firm.

Continuous Improvement

The results of the various review processes that are outlined opposite are used to inform the development needs of staff through our appraisal process and by the development of relevant training courses for the staff involved in internal audit work. The appraisal process adds to the structured training that each member of our RAS team receives on a firm wide basis. At the moment each of our team members is required to attend at least two RAS training days annually with additional training being provided in response to changes in the environment in which we operate.

Compliance with the Global Internal Audit Standards (GIAS)

Based on the results of our internal assessments, we can confirm that our Internal Audit services are aligned and have been delivered in accordance with the Global Internal Audit Standards and Topical Requirements and GIAS in the UK public sector during the year. It should be noted that as the GIAS became effective on 9 January 2025 and GIAS in the UK public sector on 1 April 2025), there has been a transition period during the year.

We confirm there have been no deviations from the GIAS during the year.

External Quality Assessment

The Global Internal Audit Standards of the Institute of Internal Auditors (IIA) requires every internal audit function that aims to comply with its standards to be reviewed, externally, every five years. At BDO we recognise the importance of independent quality assurance and so submit our RAS team to an External Quality Assurance (EQA) review every five years, most recently in April 2021. We engaged the Chartered Institute of Internal Auditors (CIIA) to carry out the EQA and, in summary, their conclusion was that BDO generally conforms to the International Professional Practices Framework (IPPF). This is the highest of the three gradings awarded by the CIIA.

RAS is committed to continuous improvement and has agreed a Quality Assurance Improvement Programme with the CIIA to respond to the recommendations and suggestions raised through the EQA exercise. A copy of the EQA report is available to our clients in order they may obtain comfort regarding our working practices.

Our next EQA is due in late 2026.

5. Quality assurance improvement programme

An update on our specific improvement actions included as part of our Quality Assurance Improvement Programme is below:

| Initiative | Benefit | Due date | Status |
|---|---|---|--|
| Ensure our annual plan was wide coverage of the Council's strategic priorities, providing assurances over the delivery of strategies and objectives across the whole Council, including front-line services impacting residents | Align our audit plan to the Council's strategic risks, ensuring that areas we cover link back to strategic objectives | Ongoing throughout delivery of our 25/26 IA plan which has been mapped to your four corporate priorities and risks. | Complete |
| Apply a blend of audit and advisory techniques using our various toolkits to assess the Council's 'soft controls' such as EDI, Environment, Governance/Culture, Sustainability, etc. This will provide roadmaps to applying best practice controls to achieve objectives | Allows management to gain insights into emerging risks with advisory support rather than traditional third line assurance | Ongoing throughout the delivery of the IA plans. We have performed advisory reviews in 25/26 to follow up on areas where concerns have been identified in the past. Going forward, local government reorganisation will be reviewed in each year, to provide the Council with advisory support as it transitions into a new authority. We will share best practice approaches from across our local government clients who are also impacted by local government reorganisation | Ongoing |
| Use SMEs and specialist skills and knowledge for highly technical areas of testing Ensure 60% of qualified resources are used in the delivery of the audit plan Ensure team members hold or are working towards professional and relevant qualifications Team members will comply with the firm's and professional bodies policies on CPD requirements | Allow the Council continue to benefit from expertise across our firm on specific, technical audit engagements. Furthermore, use of qualified staff and ensuring our staff maintain relevant CPD ensures that emerging issues and risks are addressed in our audit work to maximise the value to the Council | Through the delivery of individual audit engagements during 26/27 and throughout the full plan for the year | In progress In 25/26, 57% of the audit plan was delivered by qualified staff. The remaining work was all completed by staff working towards a professional qualification, including those who are part-qualified. All work was delivered by our RAS Public Sector Team, who are sector specialists. All BDO staff holding professional is required to record CPD on our HR and Finance Portal. From 1 November 2025, this has been extended to all staff. |

6. Annual attestation of independence

Independence

The Internal Audit function is independent and objective and we undertake our work with an impartial, unbiased attitude, avoid conflicts of interest and perform engagements in such a manner that there are no quality compromises.

During the year we have not acted in any management capacity, taken on any responsibility for the operations of your organisation or provided any services that would compromise our independence.

In the year BDO has not been engaged by management to carry out additional services outside of Internal Audit contract.

If the independence or objectivity of the Internal Audit service is ever impaired, details of the impairment will be disclosed to either the Deputy CEO/their delegate, or the Chair of the Audit Committee, dependent upon the nature of the impairment.





Relationship with external audit

All of our final reports are available to the external auditors through the Audit Committee papers and are available on request.

We have also met with External Audit during the year to discuss relevant matters.

Appendix I: Definitions

Annual Opinion Definitions

| Opinion | | Definition |
|---|---|---|
|  | Good | The controls in the areas which we examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements . |
|  | Generally satisfactory with improvements required in some areas | The controls in the areas which we examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements . However, there are some areas where weaknesses and/or non-compliance were identified and therefore may put the achievement of objectives at risk. Where weaknesses have been identified, improvements are required to enhance the design and/or effectiveness of risk management, control and governance arrangements . |
|  | Improvements required | Significant weaknesses were identified in both the design and/or operational effectiveness of the controls in all/the majority of the areas which we examined and weaken the risk management, governance and control arrangements. Significant improvements are required to enhance the design and/or effectiveness of risk management, control and governance arrangements . |
|  | Unsatisfactory | The framework of governance, risk management and control arrangements is poor. Immediate action is required to improve the design and/or operational effectiveness of the governance, risk management and control arrangements. |

Appendix I: Definitions

Audit Report Definitions

| Level of assurance | Design of internal control framework | | Operational effectiveness of controls | |
|--------------------|--|--|---|--|
| | Findings from review | Design opinion | Findings from review | Effectiveness opinion |
| Substantial | Appropriate procedures and controls in place to mitigate the key risks. | There is a sound system of internal control designed to achieve system objectives. | No, or only minor, exceptions found in testing of the procedures and controls. | The controls that are in place are being consistently applied. |
| Moderate | In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective. | Generally a sound system of internal control designed to achieve system objectives with some exceptions. | A small number of exceptions found in testing of the procedures and controls. | Evidence of non-compliance with some controls, that may put some of the system objectives at risk. |
| Limited | A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year. | System of internal controls is weakened with system objectives at risk of not being achieved. | A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year. | Non-compliance with key procedures and controls places the system objectives at risk. |
| No | For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Poor system of internal control. | Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Non-compliance and/or compliance with inadequate controls. |

| Recommendation significance | |
|-----------------------------|--|
| High | A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently. |
| Medium | A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action. |
| Low | Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency. |

Appendix II: Link to strategic objectives

We have mapped the Internal Audit Plan to the organisation's strategic objectives to show coverage across the year.

| Audit | Type of review | Link to risk strategic objectives | | | |
|--------------------------------|----------------|-----------------------------------|-----------|-------|---------|
| | | Economy | Community | Place | Council |
| Asset Management - Residential | Assurance | - | ✓ | ✓ | - |
| Asset Management - Commercial | Assurance | - | ✓ | ✓ | - |
| People Services | Assurance | - | - | - | ✓ |
| Risk Management | Assurance | ✓ | ✓ | ✓ | ✓ |
| Main Financial Systems (Fraud) | Advisory | - | - | - | ✓ |
| Cyber Security | Assurance | - | - | - | ✓ |
| Corporate Governance | Assurance | ✓ | ✓ | ✓ | ✓ |
| FOIs and Complaints | Assurance | - | - | - | ✓ |

For more information:

Gurpreet Dulay, Partner

Gurpreet.Dulay@bdo.co.uk

Freedom of Information

In the event you are required to disclose any information contained in this report by virtue of the Freedom of Information Act 2000 (“the Act”), you must notify BDO LLP promptly prior to any disclosure. You agree to pay due regard to any representations which BDO LLP makes in connection with such disclosure, and you shall apply any relevant exemptions which may exist under the Act. If, following consultation with BDO LLP, you disclose this report in whole or in part, you shall ensure that any disclaimer which BDO LLP has included, or may subsequently wish to include, is reproduced in full in any copies.

Disclaimer

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO LLP or any of its partners, employees or agents.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO member firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

The matters raised in this report are only those which came to our attention during our audits and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made organisation. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

Copyright © 2026 BDO LLP. All rights reserved. Published in the UK.

www.bdo.co.uk