

Gedling Borough Council
Internal Audit Progress Report
October 2026

Summary of 2026/27 work

Internal Audit

This report is intended to inform the Audit Committee of progress made against the 2026/27 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Global Internal Audit Standards in the UK Public Sector. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal audit methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no' opinion. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.



Internal audit plan 2026/27

We have now completed our delivery of the audit plan with all audit reviews finalised. We are pleased to present the following reports to this Audit Committee meeting:

- ▶ Digital Strategy
- ▶ Section 106 and Community Infrastructure Levy (S106 and CIL).

Essential Conditions

We have provided an annex which summarises our Essential Conditions for the Audit Committee's approval. The new Global Internal Audit Standards require the Chief Audit Executive (CAE) to report to the Audit Committee and senior management periodically to outline the internal audit function's ability to fulfil the Purpose of Internal Auditing. BDO's assessment of its internal audit services has recommended that it is fully conforming with 8 out of the 9 essential conditions and is generally conforming with one. The one essential condition where it is not fully conforming relates to Standard 8.4 External Quality Assessment (EQA). This standard requires the CAE to develop a plan for an EQA and discuss the plan with the board. BDO has an EQA performed every 5 years, as required by the standards, however this is across all outsourced internal audit services that it provides across all of its clients, and it is not specific to only the Council. Annex 1 summarises the arrangements in place for conformance against each of the nine essential conditions in the Global Internal Audit Standards.

Review of 2026/27 work

AUDIT	AUDIT COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Digital Strategy	October 2026	✓	✓	✓	S	M
S106 and CIL	October 2026	✓	✓	✓	M	S
Leisure Transformation	January 2027	✓	✓	✓	Draft Report	
Housing and Homelessness	January 2027	✓				
Waste and Recycling	January 2027	✓				
Main Financial Systems (Payroll and Treasury Management)	March 2027	✓				
Local Government Reorganisation	March 2027	✓				

S106 and CIL

CRR Reference: CR010 - PROJECTS

Design Opinion

S

Substantial

Effectiveness
Opinion

M

Moderate

Recommendations

0

1

2



SCOPE

Background

- ▶ Section 106 ('S106') agreements are legal agreements between local authorities and property developers. It allows local authorities to mitigate the impact of new developments on its immediate locality. Agreements can include contributions to local infrastructure and other financial or non-financial contributions. These agreements will often be entered into with both the developer and Nottinghamshire County Council ('the County Council') as contributions may relate to infrastructure that either party is responsible for providing. For example, borough councils are responsible for the provision of parks and open spaces whilst the County Council is responsible for providing education services.
- ▶ Community Infrastructure Levy ('CIL') are charges that local authorities can levy on new developments to help fund other infrastructure projects. These funds can be used to support development of new infrastructure such as recreational facilities and improvements to public spaces.
- ▶ Gedling Borough Council ('the Council') collected £1.095m in capital contributions and £168,404 in revenue contributions through S106 agreements in 2024/25, according to its Infrastructure Funding Statement 2024/25. In the same period, £486,985 of capital contributions and £53,009 of revenue contributions were spent. At the end of 2024/25, the Council had retained £3.849m in capital contributions and £709,321 in revenue contributions for S106 obligations. The Infrastructure Funding Statement 2025/26 is due to be published in December 2026.
- ▶ At the end of 2024/25, there was £2.564m receipts retained for CIL. Of this, £2.013m was earmarked for the provision of strategic infrastructure in the Borough and £550,610 was held for the Council to spend on infrastructure projects identified through the neighbourhood portion of the CIL monies.
- ▶ The Community Infrastructure Levy and Principal Planning Officer is responsible for overseeing S106 and CIL agreements with developers.

Purpose

- ▶ The purpose of this review was to provide assurance over the Council's strategy and planning for the allocation of S106 and CIL funding prior to local government reorganisation. We also assessed the arrangements for monitoring when trigger points are met by developers to ensure S106 and CIL income was collected promptly.

Limitations of scope

- ▶ The Terms of Reference included testing of S106 contributions that had been spent, including contributions collected on behalf of Integrated Care Boards, to confirm that expenditure was in accordance with the terms of the agreement and that recipient organisations had signed Developer Commitment Statements. However, none of the S106 agreements selected for testing had reached a stage where the sampled contributions had been spent. Consequently, Internal Audit was unable to provide assurance over the expenditure of S106 contributions or the operation of related Developer Commitment Statement controls during this review.

Areas reviewed

We reviewed or conducted the following testing:

Collecting and Monitoring S106 and CIL Funds

- ▶ A walkthrough and enquiries about the processes in place to monitor when developers reach trigger points in Section 106 and CIL agreements to ascertain whether there are sufficient prompts in place for the Council to raise invoices for contributions promptly.
- ▶ A sample of five S106 and five CIL agreements to assess whether the trigger points for contributions to be paid (to the Council only, not other parties) are documented on the Council's internally maintained S106 agreement monitoring database and Exacom (the CIL management system) and for those that have been met, we confirmed whether the Council promptly invoiced the developer for the payment of the contribution.
- ▶ Within our sample, assessed whether S106 and CIL contributions were paid to the Council promptly following the issuing of an invoice to a developer.

Spending of S106 and CIL Funds

- ▶ The programme planning and preparation for consulting on and approving the allocation of S106 and CIL funding to ascertain whether there is a sufficient lead time scheduled to ensure the allocation can be approved promptly.
- ▶ A walkthrough of processes for allocating and spending S106 and CIL funding on projects that the funds are designated to, to ascertain whether these are adequately allocated to earmarked projects.
- ▶ Forecasting for the spending of S106 and CIL funds to assess whether there is adequate planning for when and how collected contributions will be spent.
- ▶ A sample of five S106 agreements to assess whether contributions were being monitored and progressed in accordance with the relevant agreements, including whether trigger points had been reached and contributions had become due for payment. Within our sample, we included some contributions collected by the Council on behalf of other healthcare providers (Integrated Care Boards).
- ▶ Process for communicating with Elected Members about the spending of Section 106 and CIL contributions (in particular for contributions in their wards) to assess whether there are adequate channels for regular communication with Members who can then inform and communicate with residents about investment in local services.



**AREAS OF
STRENGTH**

We identified the following areas of good practice:

- ▶ The Council has established effective systems and processes for administering and monitoring S106 and CIL obligations. S106 agreements are recorded and monitored through an internally developed database, whilst CIL liabilities are managed through Exacom (the property management system), which supports the automated calculation of liabilities, generation of demand notices, monitoring of instalments and calculation of late payment interest. The Council further supplements these arrangements with monthly Building Control commencement and completion reports and officer monitoring activities to identify where trigger points have been met for developer contributions to be paid. This was an effective and practical approach to identifying when trigger points have been met, albeit the Council could also use other methods which have been outlined in Finding 1.
- ▶ Across our sample we identified that the Community Infrastructure Levy and Principal Planning Officer engages with developers regarding outstanding liabilities and consider available recovery and enforcement options where contributions remain unpaid. Late payment interest is applied in accordance with the Community Infrastructure Levy Regulations, helping to mitigate the financial impact of delayed payments.
- ▶ The Council has implemented a structured governance framework for allocating CIL funding, with projects subject to assessment, public consultation and Cabinet approval before allocations are made. The Local Infrastructure Schedule and Project Assessment process provides clear criteria against which projects are evaluated, including regulatory compliance, deliverability, community benefit and future

maintenance requirements. Our review of supporting documentation identified that proposals were appropriately scrutinised and challenged by Elected Members.

- ▶ Information relating to S106 and CIL contributions is publicly available through Cabinet reports, Planning Committee reports and public decision notices, while funding decisions and approved projects are accessible through the Council's governance processes. These arrangements provide stakeholders with visibility over how developer contributions are managed and invested across the Borough.
- ▶ The Council maintains oversight of developer contributions through officer monitoring activities and established governance arrangements. The S106 Affordable Housing Monitoring Group provides effective cross-service oversight through regular engagement between Planning, Housing and Legal Services, reviewing expenditure opportunities, obligations, repayment deadlines and future funding requirements. The annual Infrastructure Funding Statement supports transparency by reporting contributions received, retained and spent. For other S106 agreements that were not included in our sample testing, we observed instances where formal documented commitments were obtained from third parties to spend the contribution appropriately, where the Council collect contributions on behalf of other providers. This is typically the case for healthcare contributions.
- ▶ The Council has implemented a formal Developer Contributions Commitment process for external organisations receiving S106 funding. This is mainly for healthcare contributions where the Council are responsible for collecting the contribution on behalf of the Integrated Care Board ('ICB') or another healthcare institution who will deliver the infrastructure project. As part of this process, recipient organisations are required to demonstrate how proposed expenditure complies with the original S106 agreement, provide details of the relevant project and formally accept responsibility for complying with funding conditions. This approach provides a clear audit trail linking contributions to approved expenditure and helps reduce the risk of funds being used for purposes that are inconsistent with the original agreement. We observed some instances, outside of our sample, to confirm that these Developer Contributions Commitments were obtained for healthcare contributions.



AREAS OF CONCERN

Finding	Recommendation and Management Response
The Council broadly rely on self-notification by developers to identify when S106 trigger points are met. It does use Building Control reports to identify when dwellings are completed but there could be opportunities to use other data collected by the Council to identify when works have commenced or when dwellings are completed and occupied, subject to legal advice on compliance with data protection legislation. (Finding 1 - Medium)	<u>Recommendation</u> The Council should explore the use of existing Council data sources and development monitoring information, including property/address datasets and other available development indicators, to supplement developer notifications and provide additional assurance that trigger events are identified promptly. NB. Before using this data for this purpose, the Planning team should seek legal advice to confirm that this approach complies with the Data Protection Act 2018, and other data may anonymously be used for this purpose. We are not providing any legal advice in this report. <u>Management Response</u> Accepted. Responsible Officers to liaise with the Council's Data Protection Officer and establish a process, where

	possible in accordance with the Data Protection Act 2018, to utilise pre-existing data held by the other relevant departments to better monitor the build out of developments and their respective trigger points. Target Date: April 2027
A consistent process for the recovery of overdue contributions was not in place leading to an instance in our sample where several CIL instalments were overdue despite being invoiced between September 2024 and June 2026 (Finding 2 - Low).	<u>Recommendation</u> The Council should establish a documented escalation and recovery guidance for overdue developer contributions. This should include defined follow-up activities, escalation timescales, management review requirements and criteria for considering formal enforcement action. <u>Management Response</u> Accepted. Responsible Officers to develop a working document to establish clear procedures in respect of the enforcement / recovery of developer contributions to provide clarity and uniformity whilst still recognising the need to work collaboratively with Developers to ensure that development is not unnecessarily prohibited. Target Date: April 2027
Other than through the annual Infrastructure Funding Statement and periodic reporting to various committees, there are no formal mechanisms to proactively communicate with Elected Members on the spending of CIL contributions in their wards (Finding 3 - Low).	<u>Recommendation</u> The Council should consider introducing periodic communication or summary reporting to Ward Members regarding developer contributions, balances held and infrastructure projects funded within their wards. <u>Management Response</u> Accepted. Responsible Officers will look to draft bi-annual reports, which will coincide with the CIL Neighbourhood Portion paid to Local Parish Councils in October and April each year, provided a summary of Developer Contributions received during that period. Elected Ward Members, where desired can also be included in mailing list when an invoice for a Section 106 Contribution is issued to ensure they are kept informed in real time. Target Date: April 2027



CONCLUSION

We conclude that the Council has a **Moderate** design and **Substantial** effectiveness of controls for the management, collection, allocation and monitoring of S106 and CIL contributions.

Control Design

The control design was **Moderate** because although the Council has established appropriate arrangements for monitoring developer contributions, including approving funding allocations, overseeing expenditure and reporting retained balances. Opportunities were identified to strengthen independent monitoring of trigger events, verification of information recorded within the S106 monitoring database and forward planning for the utilisation of retained S106 balances.

Control Effectiveness

The control effectiveness was **Substantial** because the controls that are in place are being consistently applied.

Contributions were appropriately monitored; allocation decisions were supported by documented approval processes and expenditure reviewed during the audit was consistent with the requirements of the relevant agreements.

Opportunities were identified to strengthen the escalation and recovery of overdue contributions but there are suitable conditions in the S106 and CIL agreements to apply interest for late payments which limits the risk to the Council. We also identified areas where officers can improve proactive communication with Ward Members regarding local developer contribution activity.

Overall, the Council has established a generally sound control environment for the management of S106 and CIL contributions. We raised three findings and two observations to further strengthen monitoring, recovery, forecasting and communication arrangements.

Digital Strategy

CRR Reference: CR002 - CAPACITY SERVICE DELIVERY, CR009 - ICT TECHNOLOGY

Design Opinion



Substantial

Effectiveness
Opinion



Moderate

Recommendations



SCOPE

Background

- ▶ Gedling Borough Council ('the Council') has a Digital, Data and Technology Strategy for 2024-27 ('the Digital Strategy'). The Digital Strategy establishes the six target outcomes for how the Council will use digital, data and technology to support its functions. These are:
 - Be more joined up
 - Deliver easy to use services
 - Create more efficient ways of working
 - Ensure responsive, reliable services
 - Keep data secure
 - Make better use of data insight in decision making.
- ▶ The Digital Strategy focuses on creating efficiencies through the use of technology while simultaneously improving the customer experience. Key milestones for the Digital Strategy so far have been the implementation of Whitespace (the waste management system) and Netcall (the customer relationship management system). As part of the improved customer experience, the Council have also introduced a new Drupal website. These programmes of work formed a key part of the Council's Annual Delivery Plan for 2025/26 and will continue in a reduced format into 2026/27.
- ▶ In a report to Cabinet on 28 March 2024 it was budgeted that the capital investment in system costs and project implementation would be £1.987m between 2024/25 and 2026/27. The revenue costs to the Council were forecasted to be funded from earmarked reserves and future efficiency savings. Local government reorganisation was announced after the Digital Strategy was prepared so there has been a refocus in the priorities for the programme.
- ▶ The Business Design and Technology Authority ('the BTDA') are an internal board that decides on system design across the Council. The Customer Experience Programme Board is the main governance group for overseeing the delivery of the customer facing elements of the Digital Strategy. 'Business as Usual' improvements are handled within the ICT team. This is chaired by the Director for Transformation who escalates matters to the Senior Leadership Team ('the SLT') where necessary.
- ▶ The Council have a Transformation Team who coordinate and support the implementation of the programme.

Purpose

- ▶ The purpose of this review was to provide assurance over the Council's implementation of its Digital Strategy. This included a review of the project management of the Delivery Plan to ascertain whether there were clear arrangements for overseeing the strategy and the roadmap. We also considered whether projects have met the objectives of the original business plan.

Areas reviewed

The following areas were covered as part of this review:

- ▶ The governance structures in place for the Digital Strategy (through ICT management, the Customer Experience Board and the SLT) were reviewed to ascertain whether these supported adequate oversight and escalation issues. Specifically, we assessed whether there was a clear alignment between monitoring of individual projects at the Customer Experience Board and the overarching outcomes set in the Digital Strategy.
- ▶ Individual project business cases were reviewed to ascertain whether there was a clear 'golden thread' to the objectives of the Digital Strategy.
- ▶ The adequacy and effectiveness of the Council's processes for quantifying and monitoring financial efficiency savings and operational efficiency savings generated from the Digital Strategy were reviewed. We also assessed how these were captured and monitored against the original revenue savings target in the business case.
- ▶ Capital investment budget monitoring procedures were reviewed to ascertain whether there was sufficient oversight of expenditure for the Digital Strategy delivery, reducing the risk of unnecessary budget overruns. We also reviewed the budgetary reporting into the Customer Experience Board for oversight of the financial management of the programme.
- ▶ Risk, action, issues and dependencies ('RAID') logs were reviewed to ascertain whether these adequately recorded the programme and project risks, identified mitigating controls and were regularly monitored throughout the programme delivery.
- ▶ Enquiries were made and resource and capacity management was reviewed for the Digital Strategy to ascertain whether the resource needs had been identified and there was a clear strategy on how to deliver the projects in accordance with planned timescales.



AREAS OF STRENGTH

We identified the following areas of good practice:

- ▶ The Council has established a mature strategic alignment framework which ensures digital initiatives are linked to programme objectives, customer outcomes and wider Digital Strategy priorities. The use of defined architectural principles and BTDA governance arrangements help promote consistency of design and supports informed decision-making across digital change activities.
- ▶ The programme has implemented comprehensive budget monitoring and benefits realisation arrangements, providing clear visibility of expenditure, forecast costs, savings delivery and expected benefits. Defined ownership of digital initiatives, baseline measures and performance indicators supports accountability and enables effective governance oversight of programme affordability and benefits realisation.
- ▶ A structured RAID framework is maintained for the programme, which supports the effective identification, monitoring and management of risks, actions, issues and decisions. Clearly defined ownership, mitigation plans and regular governance review help ensure that key risks are appropriately managed and escalated where required.
- ▶ Use of the Endura project management system provides a structured and transparent approach to change delivery. Defined workflow stages, approval controls and audit trails support accountability, progress monitoring and traceability throughout the project lifecycle, helping to maintain effective oversight of implementation activities.



AREAS OF CONCERN

Finding	Recommendation and Management Response
Resource capacity has been identified as a risk within the Digital Strategy RAID log. However, there was limited	<u>Recommendation</u>

	evidence to demonstrate the specific mitigating actions being taken, how these are being monitored, or whether the residual risk remains appropriate. As the programme is being delivered alongside other organisational priorities, including local government reorganisation preparations, there is a risk that capacity pressures could affect delivery timescales and the achievement of intended efficiencies if they are not clearly documented and escalated. (Finding 1 - Medium)	A. The Council should update the RAID log to include clear mitigating actions, owners, target dates and status updates for the resource capacity risk. B. Resource capacity should be reviewed periodically through programme governance, with any delivery risks escalated where required. <u>Management Response</u> A. The RAID reviewed and in particular the risk around resource is for the Customer Experience and Communities Programme. This programme, however, is one of the main drivers for the delivery of the digital strategy. This risk can be updated with further information to provide assurance. B. This is constantly reviewed already as part of the current governance arrangements. The board assesses the risk log and resources and prioritisation is also discussed at weekly programme sponsor updates. Target Date: (A) October 2026 and (B) Ongoing.
	The Assistant Director of Digital, Data and Technology provides a significant level of continuity and oversight across the Digital Strategy. Whilst this has supported effective programme leadership, there was limited evidence of formal succession planning, documented handover arrangements or knowledge transfer processes. This creates a key person dependency and increases the risk that programme continuity, decision-making and corporate knowledge could be disrupted if the officer were to leave the Council or become unavailable for a prolonged period. (Finding 2 - Medium)	<u>Recommendation</u> A. The Council should identify key person dependencies across the Digital Strategy and document the responsibilities and knowledge critical to programme continuity. B. Proportionate succession and knowledge transfer arrangements should be developed, including handover notes, shared programme documentation and deputy arrangements where appropriate. <u>Management Response</u> A. This finding and recommendation is acknowledged but also that oversight at a senior level mitigates this somewhat. Also, with LGR on the horizon and a new DDaT workstream well established, the requirements of the digital strategy will diminish as we transition to a new authority. The Council has also recently done some work on succession planning and this can be revisited from a digital strategy perspective and updated as necessary.

		B. This will be included as part of the above arrangements. Target Date: (A and B) March 2027.
	Finance representation is included within programme board meetings. However, the evidence of finance review, challenge and sign off is implicit rather than clearly documented. Programme Board minutes and supporting papers do not consistently demonstrate that finance has formally reviewed or endorsed key financial information, including expenditure, forecasts and benefits realisation updates. This reduces the ability of the Council to demonstrate appropriate financial scrutiny has been applied to the Digital Strategy programme. (Finding 3 - Medium)	<u>Recommendation</u> The Council should define the role of finance within the Digital Strategy governance arrangements, including when formal finance review or sign off is required. <u>Management Response</u> Although I accept that the role of finance could be defined more clearly with formal sign off arrangements in place, finance have been represented at board level and involved in budget meetings with the programme manager. A financial and benefits tracking document is included in the board papers and as a standing agenda item. However, more formal arrangements can be discussed with finance colleagues and if agreed, arrangements for governance documents could be updated with a formal financial process included. Target Date: November 2026.



CONCLUSION

We conclude that the Council has a **Substantial design** and **Moderate effectiveness** in place for the governance and delivery of the Digital Strategy, with three medium findings raised as part of this review.

Control Design

The control design was **Substantial** because the Council has established appropriate governance arrangements to oversee the delivery of the Digital Strategy. The Customer Experience Programme Board provides oversight of the programme, with further support from ICT management, the Business Design and Technology Authority and escalation to the Senior Leadership Team where required. There are also arrangements in place for monitoring project delivery, benefits, budgets and programme risks through the use of programme reporting, RAID logs and the Endura project management system.

Control Effectiveness

The control effectiveness was **Moderate** because, whilst established arrangements are operating in practice, we identified some areas where the controls could be more clearly evidenced or formalised. Resource capacity has been identified as a risk within the RAID log; however, there was limited evidence to show what actions had been taken to mitigate this risk. We identified that programme continuity is reliant on key officers, with limited documented succession or knowledge transfer arrangements in place. In addition, although finance attends programme board meetings, finance review and sign off is not clearly recorded within the minutes or supporting papers.

The issues identified through this audit do not undermine the overall governance framework in place for the Digital Strategy. However, they do reduce the level of assurance that can be taken over how consistently some controls are being applied and evidenced. Addressing the findings raised will help the Council strengthen the documentation to support decision making and control in respect of programme risks,

improve resilience over programme delivery and provide clearer evidence of financial oversight.

The Digital Strategy Programme has changed in scope from the initial business case due to structural changes in local government, causing short term benefits to be prioritised and some longer-term efficiencies to be removed. Through discussions, there was a clear understanding from the Council on the prioritisation of projects in the Delivery Plan, focused on maximising the efficiencies and savings until local government reorganisation. However, it is expected that local government reorganisation will have a resource constraint as the Council prepares to align with the new authority, particularly among senior staff. Therefore, it is important that there is a continued focus on the Digital Strategy among these conflicting challenges to ensure the benefits of digitalisation are realised.

Sector update

Our quarterly Local Government briefing summarises recent publications and emerging issues relevant to local authority providers that may be of interest to your organisation. It is intended to provide a snapshot of current issues for Elected Members and Executive Directors.

PLANS FOR MAJOR OVERHAUL OF COUNCILS HALTED

The Government's plans for local government reorganisation have been paused while a review is launched in light of new legal advice.

Local government reorganisation contributes to the most significant structural change to local government in a generation, creating unitary authorities to deliver services to residents through a single organisation.

The Secretary of State for Housing, Communities and Local Government announced on 7 September 2026 that “in light of legal advice, I [the Secretary of State] want to satisfy myself firstly that the right process is in place, that it is robust, and of course complies with the law”. They further stated that “And secondly, I want to fully test whether our proposals for local government reorganisation meet the priorities of a new administration and a new prime minister and any additional considerations”.

The decision that was announced on 16 July 2026 for Nottingham and Nottingham's new local government structure was that the following two unitary authorities would be formed:

- ▶ An authority covering the current local government areas of Nottingham City and parts of Broxtowe, Rushcliffe and Gedling.
- ▶ An authority covering the current local government areas of Ashfield, Bassetlaw, Mansfield, Newark and Sherwood, and parts of Broxtowe, Rushcliffe and Gedling.

This proposal would result in boundary changes in Broxtowe, Rushcliffe and Gedling.

Following this latest announcement, the Government have confirmed that local elections in May 2027 will proceed in existing council boundaries.

Plans for major overhaul of Councils halted - BBC News

FOR INFORMATION

For the Audit Committee and Executive Directors

THREE CROSS-GOVERNMENT TASKFORCES TO BE LAUNCHED WITHIN OPMC

The First Secretary of State of the United Kingdom will oversee three new task forces to focus on public control, the cost of living and community renewal

It has been announced that three new cross-government taskforces will be launched in the Office for the Prime Minister and Cabinet and will be overseen by the First Secretary of State of the United Kingdom, to tackle “systemic issues” on public control, the cost of living and community renewal.

The new task forces will have the following focus:

- ▶ **Public Control Taskforce:** This will focus on the supply of essential services and utilities to ensure that these are affordable and accountable. The government has said that this taskforce will “rewire the state, examining how public control across those four sectors can be utilised to return them to public service, and bring down costs for families”.
- ▶ **Cost of Living Taskforce:** This will focus on long-term issues facing families to support with managing rising living costs.
- ▶ **Community Renewal Taskforce:** This will focus on work with local leaders to ensure communities are supported to drive through solutions and deliver growth across Britain. The government has said that it will seek to “reverse left behind, high streets falling into disrepair, rubbish piling up at the sides of our street... improving people's everyday experience of where they live”.

Three cross-government taskforces to be launches within OPMC - Civil Service World

FOR INFORMATION

For the Audit Committee and Executive Directors

HOUSING SECTOR ISSUES GUIDANCE AIMED AT IMPROVING SECTION 106 OUTCOMES

New guidance has been issued by the housing sector with the aim of improving section 106 outcomes in delivering growth in affordable housing.

The Chartered Institute of Housing, the National Housing Federation, the Home Builders Federation and the Local Government Association have reflected positively on the new National S106 Affordable Housing Engagement Guidance. This guidance has been developed by the S106 Cross-Sector Working Group led by the MHCLG.

The Engagement Guidance includes a statement of collaboration and shared principles between key housing delivery partners and a range of topics that should be discussed to inform early partner engagement at a local level. This guidance covers the following early discussions areas to help affordable housing needs meet the demands of the local area:

- Pre-planning and scheme requirements
- Design and specification
- Legal disputes and mitigation
- Construction
- Handover of homes
- Aftercare and maintenance.

Local authorities are a core delivery partner for Section 106 agreements.

Housing sector issues guidance aimed at improving section 106 outcomes - Local Government Lawyer

FOR INFORMATION

For the Audit Committee and Executive Directors

Key performance indicators

QUALITY ASSURANCE	KPI	RAG RATING
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings attended including Audit Committee meetings, pre-meetings, individual audit meetings and contract reviews have been attended by either the Engagement Partner or the Engagement Manager.	
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO was found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards. Our EQA is due by the end of 2026 and we will report the outcomes of this to the Audit Committee.	
Completion of audit plan	We have progressed the 2026/27 Internal Audit Plan in line with the proposed schedule set out in our plan.	

Appendix 1

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
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 DEFINITION

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.

FOR MORE INFORMATION:

Gurpreet Dulay

Gurpreet.Dulay@bdo.co.uk

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