

INTERNAL AUDIT PROGRESS REPORT

15 August 2025



HILLINGDON
LONDON

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1. INTRODUCTION

The Role of Internal Audit

Internal Audit (IA) provides an independent assurance and advisory service that underpins good governance, essential in helping the Council achieve its corporate objectives and realise its vision for the borough of Hillingdon. It is also a requirement of the Accounts and Audit Regulations 2015 that the Authority undertakes an effective IA to evaluate the effectiveness of its risk management, internal control and corporate governance processes, taking into account the Global Internal Audit Standards.

The Purpose of the Internal Audit Progress Report

This progress report presents the Council's Corporate Management Team (CMT) and Audit Committee with summary information on all IA work completed since the last Audit Committee meeting. In addition, it provides an opportunity for the Council's Head of Internal Audit (HIA), to highlight any significant issues which have arisen from IA work.

2. SUMMARY OF INTERNAL AUDIT ACTIVITY

Internal Audit have made a good start on the reviews from the 2025/26 IA workplan, despite three members of the team leaving at the beginning of the year. Since the last Audit Committee meeting, **five** reviews were completed to final report stage. These include:

- **Two SUBSTANTIAL** assurance reports: DSG (Safety Valve Plan (Part 2)) and Housing Health & Safety requirements
- **One REASONABLE** assurance report: Capital Programme
- **One ADVISORY** review: Commissioned & Direct Payments
- **One LIMITED** assurance report:

Personalised Emergency Evacuation Plans	<p>Although there is no law requiring Councils to develop and maintain Personalised Emergency Evacuation Plans (PEEPs), following the Grenfell Tower inquiry the Regulatory Reform (Fire safety) Order 2005 encourages building owners to produce PEEPs for residents in Highrise buildings.</p> <p>A review of 43 PEEPs revealed significant gaps in completeness, timeliness, and storage. PEEPs should be stored in Civica, however 20/43 PEEPs were not available at the time of this review and 15/43 were not stored on SharePoint. This is potentially due to the reliance on handwritten forms which then require scanning onto the system.</p> <p>However, the Council has made significant investments in fire containment controls, such as sprinkler and smoke ventilation systems, and therefore a stay-put policy is in place reducing the necessity of PEEPs. Internal Audit also confirmed there is a robust strategy for reducing the risk by preventing residents with vulnerabilities from being placed into Highrise buildings.</p>
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Six further reviews are at a draft report stage and should be finalised before the next Audit Committee. For details of these reviews please see *Appendix A*.

Since the last Audit Committee IA has also completed grant claim verification work for the Trading Standards Grant claim and completed three ad-hoc consultancy reviews. For details of the grant claims and ad hoc consultancy reviews please see *Appendix B*.

Changes to the Internal Audit Workplan

Since the last Audit Committee the following three reviews have been removed from the plan:

Cabinet Engagement	<p>This review was included in the IA plan to test compliance and awareness of the Scheme of Delegation and assess how Cabinet Members are engaged in key operational matters. It has been removed from the plan to avoid duplicating the external review being commissioned as part of the third workstream of the Governance Review Improvement Plan.</p>
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Oracle Project	This review was scheduled to assess the implementation of the Oracle Project and how learning from the project is captured. This has been removed from the plan due to the ongoing Finance Modernisation Programme and external assurance from Grant Thornton.
Transformation and Change Governance	This review was removed from the plan to avoid duplicating the Savings Programme review. Due to the Council's financial position, the transformation team has prioritised work to support income generation and savings projects. Therefore, there is significant overlap between the savings programme and transformation projects.

Since the last Audit Committee meeting the following three reviews were also added to the plan:

Housing Allocations	This review will consider the compliance with the Councils Housing Allocation Policy and procedures and was added to the plan following queries raised through the Counter Fraud Team.
Health & Safety in Schools	This review was added to the plan at the request of the Director for Education. It will be a review of the health and safety arrangements in place for a sample of schools.
Effectiveness of Corporate Governance	These days were added to the IA plan to follow up on the implementation of the Governance Review Improvement Plan and the wider governance arrangements.

3. FOLLOW UP OF MANAGEMENT ACTIONS

The table in *Appendix C* outlines the agreed management actions followed up since the last Audit Committee meeting. Actions are marked as verified once IA have received evidence to demonstrate the action has been fully implemented. Once all actions from an individual report are verified the report is marked closed and will be removed from the tracker.

In total 73/102 (72%) management actions due to have been implemented were marked as verified or complete. 22 were marked as overdue as they have not been completed by their agreed implementation date, and we are waiting on responses for eight. New implementation dates will be set for these actions, and they will be followed up again until they are completed.

4. FORWARD LOOK

Three members of the IA team left at the beginning of the year, one on maternity leave and two for promotions elsewhere. A new level 4 Apprentice has been appointed to replace one of the Internal Auditor posts, and a new Assistant Manager is currently being recruited. Over the next quarter the HIA will review the capacity, skills and experience within the team and re-allocate reviews where necessary.

The Internal Audit team are also finalising their self-assessment against the Global Internal Audit Standards and wider quality improvement action plan, which will be presented to the next Audit Committee meeting.

IA would like to take this opportunity to formally thank all staff throughout the Council with whom IA had contact. There are no other matters that the HIA needs to bring to the attention of the CMT and Audit Committee at this time.

APPENDIX A: IA REVIEWS

IA Ref.	IA Review Area	Current Status	Assurance Level	Actions & Risk Rating			
				H	M	L	O
P2	Capital Programme	Final Report Issued 19 May 2025	REASONABLE	-	7	-	-
S8	PEEPs in Highrise Buildings	Final Report Issued 18 June 2025	LIMITED	-	3	-	-
A01	Commissioned & Direct Payments	Final Report Issued 13 June 2025	ADVISORY	-	-	-	-
C1	DSG (Safety Valve Plan (Part 2))	Final Report Issued 19 June 2025	SUBSTANTIAL	-	1	-	-
H2	Housing H&S requirements	Final Report Issued 3 June 2025	SUBSTANTIAL	-	-	1	-
H1	Data Quality H&C	Draft Report Issued	TBC Once Finalised				
X1	Security (Documentation Security)	Draft Report Issued	TBC Once Finalised				
H1	Community Safety	Draft Report Issued	TBC Once Finalised				
P5	Highways	Draft Report Issued	TBC Once Finalised				
P2	Corporate Estate	Draft Report Issued	TBC Once Finalised				
C1	School's pre-employment checks	Draft Report Issued	TBC Once Finalised				
S1	Agency Expenditure & Checks	Under Review	TBC Once Finalised				
P3	Greenspaces	Fieldwork	TBC Once Finalised				
X2	Savings Programme (Target Operating Model)	Fieldwork	TBC Once Finalised				
F2	Income Generation	Fieldwork	TBC Once Finalised				
X3	Budget delivery	Fieldwork	TBC Once Finalised				
C2	Data Quality CSC	Fieldwork	TBC Once Finalised				
F3	Income Generation: Business rates	Fieldwork	TBC Once Finalised				
X1	Business and Financial Plans	Fieldwork	TBC Once Finalised				
H7	Housing Allocations	Planning	TBC Once Finalised				
X4	Corporate Policies and Procedures	Planning	TBC Once Finalised				

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O = Observation

IA Ref.	IA Review Area	Current Status	Assurance Level	Actions & Risk Rating			
				H	M	L	O
P7	HRA Acquisitions	Planning	<i>TBC Once Finalised</i>				
P6	Planning	Planning	<i>TBC Once Finalised</i>				
H3	Temporary Accommodation Action Plan	Planning	<i>TBC Once Finalised</i>				
C4	Housing and Social Care Collaboration		<i>TBC Once Finalised</i>				
C3	Multiagency working		<i>TBC Once Finalised</i>				
C6	Health and Safety in Schools	Planning	<i>TBC Once Finalised</i>				
A2	Data Quality - ASC		<i>TBC Once Finalised</i>				
H4	B&B & HRA Arrears	Planning	<i>TBC Once Finalised</i>				
A1	Social Care Charges		<i>TBC Once Finalised</i>				
S3	Emergency Planning		<i>TBC Once Finalised</i>				
F4	Key Financial Controls		<i>TBC Once Finalised</i>				
S4	HR information		<i>TBC Once Finalised</i>				
P1	Project Management Civic centre project	Planning	<i>TBC Once Finalised</i>				
X7	Effectiveness of the Corporate Governance		<i>TBC Once Finalised</i>				
P4	Data Quality Place	Planning	<i>TBC Once Finalised</i>				
H6	Anti-Social Behaviour		<i>TBC Once Finalised</i>				
S6	Data Quality Corporate Services		<i>TBC Once Finalised</i>				
F5	Procurement		<i>TBC Once Finalised</i>				
X6	Contract Management		<i>TBC Once Finalised</i>				
H5	Tenant Engagement		<i>TBC Once Finalised</i>				
S7	Integrated front door		<i>TBC Once Finalised</i>				
Total Number of IA Management Actions Raised				0	11	1	0

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APPENDIX B: IA AD-HOC CONSULTANCY & GRANT CLAIM VERIFICATION REVIEWS

IA Ref.	IA Review Area	Current Status
Z01	Housing Housemark return	Completed
Z02	Grievance Investigation	Completed
Z03	Internal Review with Counter Fraud	Completed
Z04	Adult Mental Health Service	Finalising
Z05	Debt Project	Ongoing
G01	Trading Standards Grant Verification	Completed

APPENDIX C: IA FOLLOW UP OF MANAGEMENT ACTIONS

Ref	Review	Number of Actions		Current Status of Actions:										Comments
				Verified		Completed		Overdue		Unknown		Not Due		
		H	M	H	M	H	M	H	M	H	M	H	M	
20.A03	Cemeteries: Bereavement Service and Ground Maintenance	2	4	-	-	-	-	2	4	-	-	-	-	New Date TBC
20.A06	Estates - Lease Management	1	1	1	1	-	-	-	-	-	-	-	-	CLOSED
20.A31	Exclusions or Education Cases for Vulnerable Young People	-	4	-	3	-	-	-	1	-	-	-	-	New Date: Sept 2025
22.A42	Fraud prevention controls in tendering & contacts	-	4	-	3	-	-	-	-	-	-	-	1	Due Dec 2025
22.A45	Adult social care referrals and assessment	-	2	-	1	-	-	-	1	-	-	-	-	New Date: Oct 2025
22.C59	Care Leavers Allowances	1	1	-	-	-	-	-	-	1	1	-	-	Due April 2025
22.P52	Trading Standards POCA	1	2	1	2	-	-	-	-	-	-	-	-	CLOSED
23.A04	Contract Management	-	3	-	3	-	-	-	-	-	-	-	-	CLOSED
23.C04	Neglect (Children's)	-	2	-	-	-	2	-	-	-	-	-	-	
23.F01	Risk Management	1	5	1	5	-	-	-	-	-	-	-	1	CLOSED
23.F04	Oracle Programme	-	1	-	1	-	-	-	-	-	-	-	-	CLOSED
23.P02	Capital Programme	1	2	1	2	-	-	-	-	-	-	-	-	CLOSED
23.P03	Parking Service Income	-	3	-	3	-	-	-	-	-	-	-	-	CLOSED
23.P05	Climate Action	1	1	-	-	-	-	-	-	1	1	-	-	Due March 2025
23.P06	Facilities Management	-	3	-	-	-	-	-	-	-	-	-	3	Due October 2025
23.S01	IT Application Review	-	2	-	1	-	1	-	-	-	-	-	-	
23.S02	Workforce Planning, Establishment & Recruitment	2	2	2	1	-	-	-	1	-	-	-	-	New Date: Dec 2025
23.S12	Social Housing Applications	1	1	1	1	-	-	-	-	-	-	-	-	CLOSED
23.P11	Building Control Action Plan	-	1	-	1	-	-	-	-	-	-	-	-	CLOSED
23.C06	Thematic Review of SEN Funding in Schools	-	3	-	3	-	-	-	-	-	-	-	-	CLOSED
23.F07	Fleet Damage	-	4	-	2	-	-	-	-	-	2	-	-	Due July 2025
23.S13	Pool Cars	2	3	1	2	1	1	-	-	-	-	-	-	
23.C03	SEND Data Quality	4	1	-	-	2	1	2	-	-	-	-	-	New Date: Dec 2025
23.D02	Performance Information	-	3	-	-	-	-	-	-	-	-	-	3	Due Dec 2025

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23.S14	Uninspected B&Bs	2	3	2	-	-	3	-	-	-	-	-	-	
24.S15	Overtime, Expenses & Mileage Payments	5	2	4	-	-	-	1	2	-	-	-	-	New Date: Dec 2025
24.S17	Section 202 & 204 Appeals review	-	3	-	1	-	-	-	2	-	-	-	-	New Date: Sept 2025
24.P4	Asset Management	2	2	-	-	-	2	2	-	-	-	-	-	New Date: Feb 2026
23-S09	Personal Appraisals	-	3	-	2	-	-	-	1	-	-	-	-	New Date: Dec 2025
24-S03	Pre-employment checks	-	3	-	-	-	-	-	-	-	-	-	3	Due August 2025
24-S05	Decent Homes Standards	-	2	-	-	-	1	-	-	-	-	-	1	Due September 2025
24-P3	Leasehold Management and Service Charges	-	2	-	-	-	-	-	-	-	2	-	-	Due April 2025
24-D05	Hillingdon First Card	-	4	-	-	-	-	-	-	-	-	-	4	Due August 2025
24.S02	Induction and mandatory training	1	2	-	-	-	-	1	2	-	-	-	-	New Date: Dec 2025
24-F3	Contract Management Oversight	3	1	-	-	-	-	-	-	-	-	3	1	Due January 2026
24-S18	B&B Rent Arrears	3	2	-	-	-	-	-	-	-	-	3	2	Due November 2025
24-S13	HRA Rent Arrears	1	3	-	-	-	-	-	-	-	-	1	3	Due November 2025
24-C03	Schools Admissions	1	4	-	-	-	-	-	-	-	-	1	4	Due August 2025
24-C02	Schools Finances	2	4	-	-	-	-	-	-	-	-	2	4	Due August 2025
24-F04	Debtors	-	3	-	-	-	-	-	-	-	-	-	3	Due April 2026
24-F06	Budget Monitoring	-	6	-	-	-	-	-	-	-	-	-	6	Due April 2026
24-F02	Key Financial Controls (Cash Handling)	1	2	-	-	-	-	-	-	-	-	1	2	Due December 2025
24-P02	Capital Programme	-	7	-	7	-	-	-	-	-	-	-	-	CLOSED
	SUBTOTAL	38	116	14	45	3	11	8	14	2	6	11	41	
	TOTAL	154		59		14		22		8		52		

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APPENDIX D: INTERNAL AUDIT KEY PERFORMANCE INDICATORS

The Key Performance Indicators (KPIs) for IA quarterly reporting to CMT and the Audit Committee in 2025/26 are set out below:

KPI	Performance Measure	Target	Current Status
KPI 1	Planning to be initiated at least six weeks before the planned fieldwork start date to allow the relevant service to prepare documents and ensure staff availability.	80%	89%
KPI 2	The final terms of reference for the review to be agreed before the planned fieldwork start date.	80%	85%
KPI 3	Fieldwork to be completed within two months of the opening meeting, unless agreed with the relevant Review Sponsor.	80%	86%
KPI 4	Draft Reports to be issued three weeks after the end of fieldwork meeting with the key contact	80%	100%
KPI 5	Annual IA Plan delivered to draft report stage by 31st March, unless agreed with Review Sponsor	90%	26%
KPI 6	Annual IA Plan delivered to final report stage by 31st March, unless agreed with Review Sponsor	80%	12%
KPI 7	Draft management responses to be received two weeks after the draft report is issued	80%	86%
KPI 8	Review Sponsor to approve the management responses two weeks after the updated report is issued.	80%	80%
KPI 9	HIGH and MEDIUM risk IA recommendations completed within the original timescale	80%	72%
KPI 10	IA folders with fully completed compliance checklists identified through spot checks	90%	TBC

Key for future reporting on actual KPI performance:

- **RED** = currently this performance target is not being met (significantly [>5%] short of target performance).
- **AMBER** = currently not meeting this performance target (just short [<5%] of target performance).
- **GREEN** = currently meeting or exceeding this performance target

APPENDIX E: ASSURANCE LEVELS AND ACTION RISK RATINGS

ASSURANCE LEVEL	DEFINITION
SUBSTANTIAL	There is a good level of assurance over the management of the key risks to the Council objectives. The control environment is robust with no major weaknesses in design or operation. There is positive assurance that objectives will be achieved.
REASONABLE	There is a reasonable level of assurance over the management of the key risks to the Council objectives. The control environment is in need of some improvement in either design or operation. There remains some risk that objectives will not be achieved.
LIMITED	There is a limited level of assurance over the management of the key risks to the Council objectives. The control environment has significant weaknesses in either design and/or operation and the level of residual risk to the objectives is not aligned to the relevant risk appetite. There is a significant risk that objectives will not be achieved.
NO	There is no assurance to be derived from the management of key risks to the Council objectives. There is an absence of several key elements of the control environment in design and/or operation leading to a substantial variance between the risk appetite and the residual risk to objectives. There is a high risk that objectives will not be achieved.

FINDING RATING	DEFINITION
HIGH	The finding relates to a significant threat that could impact the Council's corporate objectives. i.e. a high number of key business risks remain unidentified and/or unmanaged as control systems do not exist and/or do not operate effectively. The risk requires senior management attention as soon as possible.
MEDIUM	The finding relates to a potentially significant threat that could impact on either corporate or operational objectives. This includes weaknesses in the control systems that are not considered serious but may have some impact on the service. The risk requires management attention and should be addressed within six months to ensure full compliance with expected controls.
LOW	The finding relates to a minor threat that impacts on operational objectives, this includes non-compliance with best practice or local procedures, and minimal impacts on the Service's reputation or budget. The risk may be tolerable in the medium term but management should take action within the next year to improve the control framework to ensure full compliance with expected controls.
OBSERVATION	This includes any items Internal Audit would like to highlight that may not directly relate to a finding. This includes notable performance and innovative controls that should be shared with others , potential concerns raised during the audit that are outside the scope of the review and will be considered separately, and any areas of improvement that had already been addressed by management at the time of the review.