AUDIT AND GOVERNANCE COMMITTEE
16 September 2026

INTERNAL AUDIT 2026/27 PROGRESS REPORT

Report by the Deputy Chief Executive (Section 151 Officer)

RECOMMENDATION

The Audit and Governance Committee is recommended to NOTE the progress with the 2026/27 Internal Audit Plan and the outcome of the completed audits.

Executive Summary

1. This report provides an update on the Internal Audit Service, including resources, completed and planned audits.

2. The report includes the Executive Summaries from the individual Internal Audit reports finalised since the last report to the May 2026 Committee. Since the last update, there have been no red reports issued.

Progress Report:

Resources:

3. A full update on resources was made to the Audit and Governance Committee in May 2026 as part of the Internal Audit Strategy and Plan for 2025/26. Since then, one of the Principal Auditors has resigned and will be leaving the team in October, the resourcing position and impact on delivery of the plan is currently being reviewed.

2026/27 Internal Audit Plan:

4. The 2026/27 Internal Audit Plan, which was agreed at the May 2026 Audit & Governance Committee, is attached as Appendix 1 to this report. This shows current progress with each audit and any amendments made to the plan. The plan and plan progress are reviewed regularly with senior management.

5. There have been 5 audits concluded since the last update in May 2026, summaries of findings and current status of management actions are detailed in Appendix 2. The includes two audits from the 2025/26 internal audit plan which were reported as at draft stage at the May 2026 Audit & Governance Committee, which have since been finalised. The completed audits are as follows:

Final Reports 2025/26:

Service	Audit	Opinion
Childrens / Property	Repairs & Maintenance in Schools	Amber
Adults	Discharge to Assess	Amber

Final Reports 2026/27:

Service	Audit	Opinion
Technology & Customer Experience	Artificial Intelligence – follow up	Amber
Technology & Customer Experience	Cyber Security	Amber
Financial & Commercial Services	Income – Application of Fees and Charges	Green

PERFORMANCE

6. The following performance indicators are monitored on a monthly basis.

Performance Measure	Target	% Performance Achieved for 26/27 audits (as at 10/08/2026)	Comments
Elapsed time between start of the audit (opening meeting) and Exit Meeting.	Target date agreed for each assignment by the Audit manager, stated on Terms of Reference, but should be no more than 3 X the total audit assignment days (excepting annual leave etc)	100%	Previously reported year-end figures: 2025/26 70% 2024/25 61% 2023/24 67% 2022/23 71%
Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 days	100%	Previously reported year-end figures: 2025/26 100% 2024/25 82% 2023/24 96% 2022/23 89%

Elapsed Time between receipt of management responses to draft report and issue of final report.	10 days	100%	Previously reported year-end figures: 2025/26 100% 2024/25 100% 2023/24 100% 2022/23 92%

The other performance indicators are:

- % of 2026/27 planned audit activity completed by 30 April 2027 - reported at year end.

- % of management actions implemented (as at 10/08/26) – 71% of actions have been implemented. Of the remaining 29%, 3.5% are overdue, 22% are partially implemented, and 3.5% are not yet due.

  (At May 2026 A&G Committee the figures reported were 63% implemented, 4% overdue, 25% partially implemented and 8% not yet due)

- Extended Management Team satisfaction with internal audit work - reported at year end.

7. **Appendix 3**

The table in Appendix 3 lists all audits with outstanding open actions, it does not include audits where full implementation has been reported. It shows the split between Priority 1 and Priority 2 actions implemented.

As at 10/08/26, there were 28 actions that are not yet due for implementation (this includes actions where target dates have been moved by the officers responsible), 30 actions not implemented and overdue and 175 actions where partial implementation is reported.

8. **Appendix 4**

At the last Audit& Governance committee meeting it was agreed that members would be provided additional information on actions that remained opened from previous financial years. In Appendix 4, there is a list of individual management actions that are still open 9 months after the original target date for implementation. Management responses have been included against each action explaining progress made to date and any reasons for delay. As at 02/09/2026 there are 41 management actions open, which are 9 months past their original target date.

9. Included within Appendix 5 of this report for information, are the overall category gradings, management action priorities and root cause categories and descriptions.

Update on Internal Audit Standards and Self-Assessment.

10. As previously reported to the Committee, from 1 April 2025 internal audit teams in the public sector are expected to operate in accordance with the Global Internal Audit Standards (GIAS) and the accompanying Application Note, collectively referred to as the Global Internal Audit Standards in the UK Public Sector. These replace the former Public Sector Internal Audit Standards (PSIAS).

11. Professional standards require an external assessment of Internal Audit every five years. The last assessment, conducted in November 2023 against PSIAS, confirmed full conformance and was reported to the Audit & Governance Committee in January 2024. The next external assessment is due in 2028.

12. Between external assessments, it is recommended practice to undertake a self-assessment. In Autumn 2025, a self-assessment against the new standards was completed using CIPFA's comprehensive tool, which was reported to the January 2026 committee meeting. This confirmed that the requirements of GIAS have already been implemented and that Internal Audit conforms to the new standards. Actions identified for completion by year-end to ensure full conformance were reported as follows, these have all now been actioned:

    - Scheduling the Audit & Governance Committee Self-Assessment for 2026 (last completed in 2023). The Audit & Governance Committee completed this in June 2026.
    - Scheduling, with the Monitoring Officer, the Review of Effectiveness of Internal Audit for reporting to the Committee in November 2026. This has been scheduled and the Monitoring Officer has started this process.
    - Enhancing annual reporting (end of 2025/26) to include analysis of themes and root causes identified during audit assignments. This was complete and reported in the Chief Internal Auditor's Annual Report 2025/26.
    - Updating the Audit Manual to incorporate root cause methodology and adopt GIAS topical requirements. This action is completed.

13. The annual self-assessment for 2026/27 has now been completed, confirming that the Internal Audit team are operating in accordance and achieving full conformance with the standards.

Counter-Fraud

14. A separate counter fraud update is being made to Audit & Governance Committee November 2026 meeting.

Financial Implications

15. There are no direct financial implications arising from this report

Legal Implications

16. There are no direct legal implications arising from this report which provides a summary of progress on activities and audits against the 2026/27 Internal Audit Plan.

Staff Implications

17. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

18. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

19. There are no direct sustainability implications arising from this report.

Risk Management

20. The are no direct risk management implications arising from this report.

Lorna Baxter, Deputy Chief Executive (Section 151 Officer)

Annex:	Appendix 1: 2026/27 Internal Audit Plan progress report Appendix 2: Executive Summaries of finalised audits since last report. Appendix 3: Summary of open management actions. Appendix 4: Summary of open management actions that exceed 9 months since original target date for implementation. Appendix 5: Internal Audit Definitions
Background papers:	Nil
Contact Officers:	Sarah Cox, Head of Internal Audit & Counter Fraud

September 2026

APPENDIX 1 - 2026/27 INTERNAL AUDIT PLAN - PROGRESS REPORT

Service Area	Audit	Planned Quarter Start	Status as at 4/9/26	Conclusion
Local Government Reorganisation	• The overall governance framework and programme management controls • Financial transition • Procurement & contracts transition • Technology transition • Data transition • HR, culture and workforce transition • Legal and democratic transition • Property & assets transition • Major services transition	Ongoing throughout 2026/27 and 2027/28	Ongoing	
Cross cutting	Capital Programme - Delivery Assurance	1	Fieldwork	
Cross cutting	Capital Programme – Pipeline & Business Case Development	1	Fieldwork	
Environment & Highways	Housing Infrastructure Fund (HIF1)	2	Scoping	
Environment & Highways	Lane Rental	4	Not started	
Childrens	SEND – Financial Management	1	Fieldwork	
Childrens	SEND – Appeals and Legal Challenges	1	Fieldwork	
Childrens	Foster Care Payments	1	Fieldwork	
Adults	Community Support Services	2	Fieldwork	
HR & Cultural Change	Schools HR	1	Scoping	
HR & Cultural Change	Performance Management	3	Not started	
Financial & Commercial Services	Pensions Administration	3	Not started	

Financial & Commercial Services	Income – Application of Fees and Charges	1	Final Report	Green
Property & Assets	Safeguarding Transport – follow up.	3	Not started	
Economy & Place	S106 – Improvement Programme.	3	Not started	
Economy & Place	Enterprise Oxfordshire – Governance & Performance.	2	Scoping	
Law & Governance – Information Management	NHS Data Security & Protection Toolkit.	2	Fieldwork	
Technology & Customer Experience	Cyber Security	1	Final Report	Amber
Technology & Customer Experience	IT Project Management	3 / 4	Not started	
Technology & Customer Experience	IT Change and Release Management	3 / 4	Not started	
Technology & Customer Experience	Microsoft 365 Cloud	2	Draft Report	Amber
Technology & Customer Experience	Artificial Intelligence – follow up.	1	Final Report	Amber
Cross Cutting	Follow Up	3	Not started	

There have been no amendments to Internal Audit Plan (since last report to A&G May 2026 meeting).

APPENDIX 2 - EXECUTIVE SUMMARIES OF COMPLETED AUDITS

Summary of Completed Audits since last reported to Audit & Governance Committee May 2026

2025/26 Finals:

Repairs & Maintenance in Schools 2025/26

Overall conclusion on the system of internal control being maintained	**A**

RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status as of 10/08/26:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
Governance, Roles & Responsibilities	A	0	6	-	-	-	5	-	-	-	1
Strategic Planning & Maintenance Management	A	0	2	-	-	-	1	-	-	-	1
Use & Monitoring of Funding	A	0	1	-	-	-	-	-	-	-	1
TOTAL		0	9								

Since April 2016, the Council has delegated repairs and maintenance funding to maintained schools. Delegation to individual schools puts the responsibility for repairs and maintenance, including statutory health and safety compliance, on the school, however the Council has overall responsibility for the school estate being maintained in a safe state of repair. Revenue funding for routine repairs and maintenance is provided through schools' Individual School Budget (ISB). Capital funding is provided via Devolved Formula Capital (DFC), which is ring-fenced for small-scale capital improvements. Larger scale capital works must be prioritised centrally and are funded via a limited central grant, with works delivered by the Minor Works Team within Property & Assets.

This audit reviewed the arrangements in place to provide assurance over the use of delegated repairs and maintenance funding in maintained schools, considering processes and controls at both Council-level and school-level.

Overall, the audit found that while the Council has a range of policies, guidance, funding mechanisms and services that relate to repairs and maintenance in maintained schools, they are not formalised within a single overarching

framework that clearly defines how the arrangements fit together and support effective governance. The audit identified variable practice at individual school level in the application of repairs and maintenance activity and limited corporate oversight of how repairs and maintenance activity across the maintained school estate is being planned, prioritised and delivered.

Governance, Roles & Responsibilities There is a corporate Property & Assets strategy which recognises maintained schools as part of the wider corporate estate, but this is high level. It does not clearly articulate how the Council's corporate landlord role applies to the management of repairs and maintenance in schools or how different teams are expected to work together. As a result, there is a lack of clarity over where some responsibilities sit, when Council involvement is required, and which teams should be approached for advice, escalation or approval and who oversees ongoing activity at individual school level to provide assurance that schools are kept safe and in a good state of repair. Development of a specific Schools Estate and Assets Management strategy which defines key school and Council accountabilities, roles, responsibilities and oversight and assurance processes would help ensure clarity and enable more effective and joined up working.

There is detailed guidance for schools on some key aspects of repairs and maintenance, for example health & safety statutory compliance and finance guidance on allocations and use of funding, however what is available is held in different places, and is not clearly cross referenced. There are also parts of the process which are not clearly documented (for example, where to go for advice on specific repairs and maintenance issues, and how concerns should be escalated, expectations in terms of estate strategies / asset management plans). A consolidated area that brings together guidance on all key aspects of repairs and maintenance would provide schools with a clearer and more accessible framework for managing tasks and complying with requirements.

It is noted that there have been some recent developments in central government policy in relation to estate management within schools. Towards the end of 2026, the Department for Education's (DfE) Estate Management Standards will require responsible bodies (this is the Council for community and voluntary controlled maintained schools) to assess and report on compliance with the standards. Whilst both schools and the Council have key accountabilities in meeting these standards, the development of clear strategies, policies and guidance agreed as a result of this audit will enable informed and accurate reporting on the arrangements in place and will also provide insight into the areas where further work is required. It is also understood that a move towards schools becoming part of multi academy trusts is likely to result in changes to the number of schools the Council is the responsible body for. Whether current maintained schools move to different multi-academy trusts or remain with the Local Authority, an up to date corporate understanding of school estate condition and the arrangements in place within individual schools will be important.

Strategic Planning & Maintenance Management While DfE guidance sets clear expectations around estate planning and the use of condition information to inform prioritisation, sample testing completed as part of the audit found estate and asset planning to be inconsistent. There is also no mechanism which enables Council oversight of the arrangements within individual maintained schools where the Council is the responsible body. From the information available, it was difficult to evidence that funding decisions are consistently driven by asset condition and risk, or that repairs identified as high priority through the most recent round of condition surveys (completed in 2022/23) are being funded and completed ahead of discretionary or non-essential works. As noted above, the need for strengthened corporate oversight will become increasingly important in being able to demonstrate compliance with the DfE's Estate Management Standards.

From review of the processes in place for the completion of works using devolved funding, schools reported some difficulties in being able to source contractors leading to delays in completion of required works, it was also reported that there was a lack of clarity over who schools should contact corporately for advice and guidance. Although there is a process (the Self Finance and Building Improvement / Self Financed Approval process) within Property & Assets to oversee capital works within schools and assist schools in ensuring that all the required statutory compliance arrangements are in place, this in not operating consistently or effectively at present. This is acknowledged within the service and examples of non-compliance were also noted during testing. Ensuring that expectations, roles, responsibilities and processes are clearly defined and communicated will be key to improving performance in this area.

In terms of governor oversight and involvement in repairs and maintenance activity, across the schools sampled, there were examples where governors were found to receive regular narrative updates on premises condition, health and safety issues and planned works and where there was evidence of engagement and challenge on affordability and prioritisation. It was also confirmed that the majority of schools tested were able to provide evidence of clear records of repairs and maintenance activity at an operational level.

Use & Monitoring of Funding The audit considered what financial information, covering both revenue and capital devolved funding for repairs and maintenance, is available and how this is used to support corporate oversight and assurance. It was noted that while financial monitoring and reporting arrangements provide the Council with assurance over schools' overall revenue and capital positions, these arrangements are not used to monitor or oversee repairs and maintenance activity or associated estate risks specifically. Budget setting and monitoring processes focus primarily on financial compliance, affordability and whether spend remains within approved budgets rather than the nature, drivers or prioritisation of repairs and maintenance expenditure.

Whilst Education Finance Services (EFS), who oversee budget setting and monitoring, have access to detailed transactional information relating to repairs and maintenance spend, this is not reviewed specifically in relation to repairs and maintenance decision making or routinely at the level of detail required to

identify non-compliance with the Council's financial requirements (for example incorrect coding of revenue to capital spend).

Although schools have clear guidance on the requirements and funding conditions associated with devolved capital funding, examples were identified where revenue spend and spend below the di minimis threshold had been coded to capital, contrary to the funding conditions. There were also examples reported where repairs and maintenance budgets had not been used effectively to address significant estate priorities in individual schools, resulting in the Council having to complete urgent reactive works funded from central capital allocations. It is acknowledged that schools are responsible for compliance with conditions relating to devolved funding and in using this funding to ensure that their site and buildings are maintained appropriately. It is also acknowledged that the devolved allocations are not related to the level of need in a specific school and that this can result in budget pressures where significant repairs and maintenance needs have been identified. This makes effective planning and budget management at school level, including that capital budgets are used correctly, even more important. In addition, when devolved funding is not prioritised effectively, this also has implications for the prioritisation and resourcing of works funded from centrally held allocations. Better corporate oversight of compliance with funding conditions and how repairs and maintenance works are being prioritised at school level enables more effective corporate prioritisation of the limited central funding the Council receives towards maintaining the school estate.

In consideration of financial reporting to governors at individual school level, within the sample of schools tested, there were examples of strong governor oversight which included coverage of forward planning and tracking of capital balances. There were also examples of less developed arrangements where it was more difficult to see how funding sources had been applied and how spend aligned with approved plans and prioritisation decisions.

Key Themes and Root Causes The issues highlighted in this report underlying root causes of **Management** and **Governance.** There are limited oversight and governance arrangements in place at a corporate level to provide assurance that the devolved funding allocated to maintained schools for repairs and maintenance is being used effectively.

Discharge To Assess 2025/26.

Overall conclusion on the system of internal control being maintained	**A**

RISK AREAS	**AREA CONCLUSION**	**No of Priority 1 Management Actions**	**No of Priority 2 Management Actions**	**Current Status as of 10/08/26:**							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	**P2**	**P1**	**P2**	**P1**	**P2**	**P1**	**P2**

Governance	**A**	**0**	**5**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**4**
Process	**A**	**0**	**4**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**2**
Performance Management	**A**	**0**	**6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**
TOTAL		**0**	**15**								

The Discharge to Assess (D2A) approach was piloted in November 2023 and went live across the county in January 2024. Since then, team processes have been developed and improved. This has included the development and implementation of a bespoke LAS (the Adult Social Care information system) form (Home First Assessment Form) which documents the D2A process from referral through to the end of the Home First team's involvement (an updated version of this form was released in April 2026). In addition, dashboard reporting for teams, management and Payments has been developed and weekly management performance meetings have been introduced. Whilst the significant progress in developing and embedding team processes is acknowledged, further improvement is required to ensure that expectations in relation to key processes are clearly and consistently communicated and to improve management oversight so that process issues can be promptly identified and resolved.

Governance – There are defined processes in place across the Home First team's involvement in the D2A pathway with clearly assigned responsibilities, however other than specific guidance relating to the completion of the LAS form, documented guidance for key roles and tasks is limited (for example there is no clear guidance on checks to be completed as part of D2A assessment approvals or guidance on dashboard reporting including responsibilities for review and correction of error reporting).

Initial communications with the person we care for, about the D2A process, comes from the ward prior to discharge. Whilst there have been some challenges reported with the consistency and accuracy of the information being provided prior to a person leaving hospital, with work ongoing to improve this, there is a clear message across the Home First teams on the expectations for the discussions that the team members are expected to have during their initial contact once the person is back home. Issues were noted with the timeliness of letters which should be issued on the day of discharge for enhanced D2A episodes (required as in these cases the D2A assessment does not happen within 72 hours of discharge), however it is reported that action has already been taken to address this. Accessibility to information on D2A to members of the public could also be improved through the review and updating of the coverage on the Council's website.

Process – There are clear, routine processes in place to monitor and enable timely discharge from hospital with ongoing management oversight and close collaborative working with colleagues in Health. Coordination and collaboration between the different Home First teams and across the service, was also apparent. Whilst it was noted that D2A processes are clearly defined, sample testing on both the standard and enhanced D2A pathways noted compliance

issues which can impact on the accuracy of payments and management information. This included inconsistencies in saving of documentation to LAS, errors and inconsistencies in recording on the LAS form, and a lack of identification and challenge of these issues as part of the assessment approval process. Some delays in allocations were also noted which contributed to delays in completion of assessments and in meeting assessment target timescales. It was reported that delays in allocation were attributable to higher than anticipated levels of demand for the D2A service, which was recognised by the Joint Commissioning Executive (JCE), with funding agreed for additional staffing in February 2026. It is reported that recruitment is ongoing and delays in allocation have reduced. Whilst Team Managers demonstrated a clear understanding of the importance of accurate information on D2A episodes for ensuring correct payments, recording errors were identified which had impacted on payment accuracy. Some issues were also noted with Payments team processes which had contributed to payment errors. These included issues relating to the way in which form errors are dealt with, which had been identified with processes updated prior to the audit, however payment to one of the providers in the sample reviewed had been significantly delayed as a result of this. Ongoing collaboration between ICT, Payments and Service Improvement teams to look at streamlined processes would further help to reduce the likelihood of errors going forward.

Prior to the audit, the Home First System Lead identified that strategic providers had been overpaid for some reablement episodes which followed D2A care, due to the way in which payments are processed to take GMVs (guaranteed minimum volumes) into account. Overpayments are in the process of being recovered and reconciliation arrangements have been introduced to ensure accurate payments are now being made. It is noted that the risk of overpayments due to a lack of appropriate oversight and monitoring of GMV activity and payments was highlighted in the 2023/24 Payments to Providers audit, with a management action agreed with Commissioning to address this. At the time of audit fieldwork, whilst it is noted that adjustments and additional ratification processes had been implemented, the management action had not been fully implemented. It has recently been reported that this management action has now been implemented in full.

Audit testing noted inefficiencies and inconsistencies across Home First area teams with the way in which the Trusted Assessor (TA) process (introduced to improve the timeliness of completion of D2A assessments) is currently working. There are known issues with the timeliness with which assessment forms are returned, non-return of forms and with the level of detail that is included in some of the returns. This was supported by sample testing completed as part of the audit. Current processes increase the likelihood of delays in assessment as whilst the return of forms is kept under constant review, providers are not chased until 3-5 days after discharge. This has a direct impact on the ability of the team to meet the 72 hour assessment target. There are also differences in the way in which the Home First teams use the TA information with examples noted where tasks are duplicated. It is noted that there is currently no contractual requirement for strategic / zonal providers to complete TA assessments, although this is being reviewed as part of the renegotiation of the Live Well at Home contract, with changes to take effect from April 2027.

Performance Management – There is detailed information from both Health and Council information systems used to monitor the discharge process and enable timely discharges with appropriate packages of care in place for patients on the D2A pathway. This information enables monitoring of timeliness of discharge and whether 48 hour targets are being met in real time. Testing noted that dashboards have been developed in relation to Home First team activity including the D2A process. This provides management with oversight of different stages of the process, including the timely completion of assessments / whether the 72 hour assessment target is being met. Dashboards are updated on a daily basis with information including current cases requiring allocation or where assessments are overdue. There is also reporting on outcomes following the D2A process with the ability to drill through to client level detail from most of the dashboard screens. The Payments dashboard now drives the payments process, and has replaced the previous manual spreadsheet based approach.

Whilst there is information available via the different dashboards to provide management with oversight of performance, with Practice Supervisors also monitoring individual cases through the assessment approval process, it was reported that case and supervision audits had not been undertaken consistently, at the required frequency. It was reported that supervisions had however been completed, just not audited. This has been identified within the service and was in the process of being addressed at the time of audit testing. Improvements to case and supervision audit processes will increase the level of management oversight which should help to promptly identify and address some of the process issues noted as part of sample testing on this audit. In addition to this, it is reported that a dashboard is now available for Practice Supervisors, Team Managers and Heads of Service to monitor case audits and look for themes and areas for improvement. This gives a daily reporting opportunity for all involved.

There are processes in place to obtain feedback from people we care for and their families, which includes the sending out of closure letters at the end of the Home First team's involvement with the individual. However, this process is not currently operating consistently with examples noted where letters had not been sent and in inconsistencies in the information included for how to provide feedback. Work is ongoing to increase opportunities to provide feedback earlier in the process and whether feedback mechanisms can be made more specific to the Home First team. There is also work underway to consolidate feedback, so that good practice and lessons learned can be shared across the team, enabling continuous improvement.

Key Themes and Root Causes – The issues highlighted in this report identify underlying root causes of ***Processes*** in relation to the need to ensure that key processes are formally documented, ***People*** in terms of compliance with expected processes and ***Management & Governance*** in relation to the need for development of more effective oversight to identify and resolve non-compliance with required processes.

2026/27 Finals:

Artificial Intelligence – follow up 2026/27

Previous Overall Conclusion	**A**
Current Overall Conclusion	**A**

	As Per Action Tracker – 2024/25		Follow Up Audit - 2026/27	
	P1	**P2**	**P1**	**P2**
Open	0	6	0	9
Closed	0	7	0	4
Total	**0**	**13**	**0**	**13**

The follow-up audit of Artificial Intelligence (AI) 2024/25, has found that whilst some management actions have been completed, the majority are outstanding. The completed actions include the development of an AI Strategy, carrying out Data Protection Impact Assessments (DPIA's) for new AI systems and updating the IT technical specifications for new technology procurements to include AI.

The key outstanding actions relate to having a formal AI Policy, which is currently in draft undergoing review, agreeing an AI governance structure, developing procedures for risk assessing new AI systems and maintaining an AI inventory. In part, the lack of progress in these areas has been reported as being due to organisational changes which have seen the previous Transformation and Digital directorate and Strategic AI Programme Board, which led on AI, being disbanded. A new AI Governance Board was established but it has also since been stood down and AI responsibilities have recently been transferred to the Information Governance Board. These gaps present a risk that new AI is not introduced in a managed and controlled way, within an appropriate governance and control framework, with sufficient oversight and accountability, particularly where personal information is processed or key operations are performed.

A total of 13 management actions were agreed as part of the 2024/25 audit. Of these, 7 were reported as fully implemented by management and 6 remained open. The follow-up audit found that 3 actions have now been effectively implemented, 5 remain open (including one requiring reassignment to another officer), and 3 actions previously reported as closed will be reopened as they have not been fully implemented. In addition, 2 actions previously marked as complete have been replaced with new management actions in this report due to incomplete implementation.

Cyber Security 2026/27

Overall conclusion on the system of internal control being maintained	A

RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status as of 02/09/26:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
Governance	G	0	0	-	-	-	-	-	-	-	-
Risk Management	A	0	3	-	-	-	-	-	-	-	3
Technical Controls	A	0	12	-	1	-	-	-	-	-	11
TOTAL		0	15								

Cyber security continues to remain an important area and strong security controls must be maintained to minimise the risk of any attack. Cyber security is a core business risk and not just an IT issue, given it can affect operational continuity, financial stability, regulatory compliance and reputation.

The review has found there are generally good controls around the governance of cyber and areas of technical security. We have identified aspects of risk management that can be improved, especially in relation to operational cyber risks, and there are also technical controls that are not optimised or operating effectively. Further details of these are provided below.

Governance There is a formal cyber security strategy in place, which will be implemented through the Cyber Security Programme that has been recently approved by the Strategic Capital Board and is due to start imminently. A suite of policies and procedures cover IT and cyber security and have been reviewed in previous audits. A sample test of policies, including the Acceptable Use Policy, confirmed they are current and valid. There is a designated cyber security team within IT Services, which has grown in size over the last 18 months and has been being given additional resource as part of the recent IT re-structure. This demonstrates the importance placed on cyber security by IT Services and the organisation.

Risk Management Cyber security is on the strategic risk register and is owned at a senior management level and subject to regular review. There is scope for improving the management of operational cyber risks as they are not currently formally identified and logged on the IT operational risk register. This can lead to management not being aware of these risks or seeking assurance that they are being managed. Cyber risks are discussed at the corporate Information Governance Group and the Information Governance Board.

All users are required to undertake mandatory training on cyber security and testing confirmed there is a high completion rate. The training is currently a one-off exercise and this can be strengthened by refreshing it annually to ensure users maintain skills and awareness of cyber threats. Phishing simulation exercises are performed every six months and users who 'fail' the test are enrolled on phishing training.

There is a documented Cyber Incident Response Plan which has been tested by the cyber security team. Greater assurance over the plan can be achieved by involving other members of IT Services in test exercises, especially those who will form part of the cyber incident response team.

Technical Controls Technical security controls are in place and largely effective across many areas, although some security gaps and weaknesses have been identified which if addressed will further strengthen cyber defences.

Income – Application of Fees and Charges 2026/27

Overall conclusion on the system of internal control being maintained	**G**

RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status as of 07/09/26:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
Setting and Approving Fees and Charges	**G**	**0**	**1**	-	-	-	-	-	-	-	**1**
Application of Fees and Charges	**G**	**0**	**5**	-	**1**	-	-	-	-	-	**4**
TOTAL		**0**	**6**								

Oxfordshire County Council provides a wide range of services, which are charged for when lawful to do so, on either a statutory or discretionary basis. This, which contributes to the overall funding for the Council, was estimated at 9% of the Council's funding for 2025/26.

The audit noted that there is a robust process in place for the annual review and approval of fees and charges with clear roles, responsibilities and accountabilities across services, finance and elected members. Testing noted that charges raised are consistent with the charges approved by Cabinet. The area where a need for greater consistency was identified is in relation to confirming expected income levels and actively monitoring these against income received.

Setting and Approving Fees and Charges – The Council's Financial Regulations sets out the framework, roles and responsibilities for the setting and approval of fees and charges. The annual review and approval process as part of budget setting is clear, established and understood by officers and members. It was noted that the corporate charging policy referenced within the financial regulations is overdue for review.

Sample testing confirmed consistency between the schedule of fees and charges approved by Cabinet and charges raised. Statutory charges tested were in line with the relevant statutory requirements. It was also found that there is consistent and accurate charging information available on the public website for public facing charges. The full fees and charges schedule and documented Cabinet approval is also available on the Council's public website.

Application of Fees and Charges – Sample testing covering both statutory and discretionary fees and charges confirmed that, with one exception, fees and charges are being raised in accordance with the schedule approved by Cabinet. There was one charge reviewed where the timing of invoicing had resulted in the previous year's charge being invoiced in error for 3 of the transactions sampled, however this has already been addressed by the service with additional oversight processes now in place.

As part of the sample testing on charges raised, it was noted that there was one area where the full charge is not currently being recovered due to the way in which payment is being made (via British Library vouchers, which are exchanged between library services across the country). This is being reviewed within the service so that going forward income can be aligned with the approved charge. This testing also highlighted some ambiguity in how this payment method is recorded in the Council's accounts. This is being reviewed by Finance and colleagues within the service to ensure that there is clear and consistent recording of income and expenditure within the Council's finance system.

The audit noted that there are inconsistencies in the way in which income targets are documented and in how income is monitored and overseen during the year across service areas. The Council's Financial Regulations note that directors have responsibility for ensuring that income budgets are monitored against charges raised and that material variances are investigated. Whilst sample testing noted examples within some service areas where there were clear income budgets set at the start of the year and monthly monitoring of income received against the budget, there were other areas where it was not possible to identify specific income targets or budgets or any active monitoring of income received for the fee / charge sampled. Whilst it is acknowledged that there will be differences in approach to pursuing income targets, for example depending on whether the charge is aimed at income generation or deterrence, having an awareness of expected income levels and monitoring of income received is important for effective budget monitoring, and in being able to identify unexpected changes to income levels which could be an indicator of error or fraud.

APPENDIX 3 – As at **10/08/2026** - all audits with outstanding open actions (excludes audits where full implementation reported):

	ACTIONS								
	P1 & P2 Actions			IMPLEMENTED			Not Due for Implementation	Not Implemented	Partially Implemented
Report Title	1	2	**Total**	1	2	**Total**			
OCC AI 24/25	-	13	**13**	-	8	**8**	-	-	5
OCC Absence Recording 25/26	-	24	**24**	-	15	**15**	-	-	9
OCC AI follow up 26/27	-	2	**2**	-	-	**-**	-	2	-
OCC Bridge Mgmt 25/26	4	12	**16**	-	-	**-**	2	-	14
OCC BYOD 25/26	-	9	**9**	-	7	**7**	-	1	1
OCC Childrens DP 24/25	-	35	**35**	-	27	**27**	-	-	8
OCC Childrens Transformation 2526	-	5	**5**	-	2	**2**	-	1	2
OCC Disaster Recovery 25/26	-	9	**9**	-	6	**6**	-	-	3
OCC D2A 25/26	-	15	**15**	-	3	**3**	12	-	-
OCC Educ IT System – processes 22/23	-	5	**5**	-	3	**3**	-	-	2
OCC EHCP Top Ups 24/25	-	12	**12**	-	7	**7**	-	-	5
OCC Employee Feedback 2425	1	7	**8**	-	3	**3**	-	-	5
OCC Employee Relations Case Audit 25/26	1	17	**18**	-	3	**3**	-	1	14
OCC Feeder Systems 23/24	-	4	**4**	-	3	**3**	-	-	1
OCC FOI 25/26	-	10	**10**	-	9	**9**	-	-	1
OCC Grants Management 25/26	-	5	**5**	-	1	**1**	-	3	1
OCC Health Payments 23/24	1	7	**8**	1	6	**7**	-	-	1
OCC HIAMS 25/26	1	11	**12**	-	8	**8**	-	-	4
OCC Highways Contract 24/25	-	2	**2**	-	1	**1**	-	-	1
OCC Highways Contract Mgmt 25/26	2	13	**15**	-	3	**3**	-	-	12
OCC Insurance 25/26	-	4	**4**	-	2	**2**	2	-	-
OCC IROs 24/25	-	14	**14**	-	12	**12**	-	-	2
OCC IT Application ContrOCC 25/26	-	9	**9**	-	3	**3**	-	2	4

OCC IT Asset Management 2526	-	6	**6**	-	5	**5**	-	-	1
OCC IT Backups 25/26	-	4	**4**	-	3	**3**	-	1	-
OCC LAS IT Application 22/23	-	9	**9**	-	8	**8**	-	-	1
OCC Mandatory Training 24/25	-	5	**5**	-	-	**-**	-	-	5
OCC Missing Children 25/26	-	11	**11**	-	9	**9**	-	-	2
OCC P Cards 23/24	1	20	**21**	1	18	**19**	-	-	2
OCC Pensions Admin 24/25	-	6	**6**	-	4	**4**	-	1	1
OCC Pensions Admin 25/26	-	11	**11**	-	3	**3**	4	3	1
OCC Pension Fund 25/26	-	6	**6**	-	2	**2**	2	-	2
OCC Planning Application Appeals 24/25	-	8	**8**	-	2	**2**	-	-	6
OCC Property Health and Safety 23/24	2	28	**30**	2	27	**29**	-	-	1
OCC Recruitment Applicant System 25/26	-	20	**20**	-	13	**13**	2	-	5
OCC Repairs & Maintenance Schools 25/26	-	9	**9**	-	-	**-**	3	6	-
OCC S106 IT System 23/24	-	6	**6**	-	5	**5**	-	-	1
OCC S151 Schools Assurance 24/25	2	20	**22**	1	6	**7**	-	6	9
OCC Safeguarding Transport 25/26	-	28	**28**	-	2	**2**	1	1	24
OCC School Attendance 2526	2	24	**26**	1	19	**20**	-	1	5
OCC Supported Transport 23/24	6	9	**15**	6	7	**13**	-	-	2
OCC VMS 25/26	-	10	**10**	-	-	**-**	-	1	9
OCC Void Management 24/25	-	14	**14**	-	13	**13**	-	-	1
OCC YPSA 22/23	1	18	**19**	1	17	**18**	-	-	1
Samuelson House 2018/19	-	5	**5**	-	4	**4**	-	-	1
TOTAL	**24**	**521**	**545**	**13**	**299**	**312**	**28**	**30**	**175**

APPENDIX 4 – Summary of open management actions that exceed 9 months since original target date for implementation.

Audit Title	Directorate	Management Action Title	Management Action Summary	Priority Level	Last Update Date	Original Target Date	Revised Target Date	Update from Director / Head of Service – summary explanation implementation delay / progress to date.
OCC Planning Application Appeals 24/25	OCC Economy and Place	Transport Development Management Guidance	Guidance will be created covering the Transport Development Management Team's role in appeals, including the process of drafting the R122 statement and roles and responsibilities around appeal hearings (e.g. giving evidence).	2	05/08/2026	30/09/2025	31/08/2026	This action is being addressed through the new Planning Appeals Guidance document, which includes: • Appeal processes and responsibilities. • Preparation and review of Regulation 122 evidence. • Hearing, inquiry and witness arrangements. • Escalation and governance processes. • Document management and evidence requirements. This guidance is pending finalisation.
OCC Planning Application Appeals 24/25	OCC Economy and Place	Recording of Appeals (District Council as LPA)	The possibility of using MasterGov to log, track, and monitor appeals will be looked into, aligning the approach across the Council in regard to appeals management. If this is not feasible, it will be ensured standard document retention protocols are communicated and followed, including which folders key evidence should be stored in.	2	05/08/2026	30/09/2025	31/08/2026	This work remains under active consideration. Investigation is ongoing regarding the feasibility of using MasterGov as the primary mechanism for recording and tracking appeals, with the objective of improving consistency, auditability and document management across services. Importantly and irrespective of Mastergov being able to manage and track planning appeals, the monitoring process is captured in the Appeals Procedure note.
OCC Planning Application Appeals 24/25	OCC Economy and Place	Review of Lessons Learned	Consideration will be given as to how any learning and opportunities for development should be reviewed following an appeal which has had an adverse outcome for the Council	2	05/08/2026	31/07/2025	31/08/2026	This action is addressed through the new Planning Appeals Guidance which establishes expectations around post-appeal review, capturing lessons learned, consideration of Inspector findings, costs decisions and identification of service improvements.

OCC Planning Application Appeals 24/25	OCC Economy and Place	Senior Management Oversight	Where appeals are identified with a certain complexity, materiality, or public sensitivity, a process will be developed to ensure there is a senior management lead to provide oversight around the strategy and approach for that appeal. This will clearly defined roles, responsibilities, and criteria for escalation, as well as a process for balancing cross-service priorities (with input from other senior officers as appropriate) to support timely and coordinated decision making in complex cases.	2	05/08/2026	31/07/2025	31/08/2026	The new Planning Appeals Guidance includes provisions relating to: • Escalation criteria. • Senior management oversight arrangements. • Cross-service decision-making. • Governance arrangements for complex, high-profile or high-risk appeals. This provides a structured framework for strategic oversight and decision-making.
OCC Planning Application Appeals 24/25	OCC Economy and Place	Appeals Management Information and Performance Reporting	Consideration will be given to what management information would be helpful in regard to the management of appeals, where this should be reported to, and how frequently.	2	05/08/2026	31/07/2025	31/08/2026	This action is also being addressed through the new Planning Appeals Guidance, which introduces a framework for monitoring appeals activity, outcomes, lessons learned, key deadlines and performance information to support management oversight.
OCC Supported Transport 23/24	OCC Property Services	Review of Contract Register System	Management will explore options, in conjunction with the Procurement hub and IT, to replace the manual contracts register spreadsheet, with a view to using the existing council register or agreeing to develop a separate more automated, system-driven solution.	2	13/07/2026	30/09/2024	31/12/2026	The contract register spreadsheet is being used for multiple different reporting data sets. To avoid brining in a new system which would still require manual copy and pasting of data from the data source Liquid Logic. The current work is focused on brining Service Provider contract management into Liquid Logic to join the contract management data with the commissioning data in one system. A report for this work has been submitted to the Liquid Logic Governance board and is being reviewed by them. The direct replacement of the contract register will be the services dashboard with the data all coming from Liquid Logic.

								This is not a short project and will be delivered in stages to replace the contract register.
OCC Property Health and Safety 23/24	OCC Property Services	Repairs and Maintenance Offer	Hard FM are in the process of putting together a repairs and maintenance package which maintained schools will have an option to buy into. It is planned that this will go to Schools Forum before the end of April after which it will be made available to schools.	2	10/03/2026	31/03/2025	30/04/2026	Action in progress - paper to be presented to Schools Forum.
OCC Supported Transport 23/24	OCC ICT	ContrOCC System Controls	IT will ensure the new ContrOCC system can interface with EYES in an effective and appropriate manner. It will also ensure that robust approval workflow controls are built in to prevent unauthorised and inappropriate changes to the system.	2	25/08/2026	30/09/2024	31/01/2027	Capability to record this on ContrOCC has not yet been fully implemented by the Supplier, SystemC. Provider payments remain on our legacy system. There is currently no roadmap from supplier available it is unlikely to be developed until 2027. SystemC are aware of this requirement and we will continue to discuss with our Account Manager.
OCC AI 2425	OCC ICT	AI Risk Assessment	A risk assessment procedure for AI systems will be agreed and documented.	2	25/08/2026	01/04/2025	30/09/2026	We are still forming our processes with regard to AI. These have been delayed due to the Restructure of IT in the last 6 months where staff interviews have had to take precedence. The new structure went live in August 2026 and we have recently adopted Microsoft Co-pilot into BAU from Project. Our new Product driven structure means that there will be staff in post to further form and finalise our AI policy and management

OCC AI 2425	OCC ICT	AI Inventory	The service areas who did not respond to the original request for information will be followed up by the Strategic AI Programme Board. Responsibility for managing and maintaining the AI inventory will be assigned.	2	25/08/2026	01/04/2025	30/09/2026	Please see response above.
OCC AI 2425	OCC ICT	AI Inventory Details	Once the risk assessment process for AI is agreed, the inventory will be updated to include the risk category of each system.	2	25/08/2026	01/04/2025	30/09/2026	Please see response above.
OCC Disaster Recovery 25/26	OCC ICT	DR Testing	A three-year plan for testing IT disaster recovery will be agreed which includes at least one critical IT system/application being tested annually.	2	25/08/2026	30/09/2025	31/08/2026	Draft for three year plan has been discussed and roadmap produced, update to audit action was missed. Now waiting for review and adoption by IT Operations managers.
OCC AI 2425	OCC ICT	Senior Management Awareness	An AI briefing will be given to SLT that includes how the technology can be used and also the governance structures being put in place to ensure it is introduced in a responsible way.	2	25/08/2026	01/04/2025	30/09/2026	SLT received an in person briefing with regard to Microsoft Co-pilot in 2025. The target has been re-opened following AI Audit review in June 2026 for a broader AI briefing – a briefing paper is to be presented to Scrutiny committee shortly.
OCC Employee Feedback 2425	OCC HR & OD	Implementation of Consolidated Framework for Feedback Mechanisms	As part of the Engagement Project, standardised processes to collect, consolidate, and analyse feedback from all three sources will be implemented. From this, a consolidated reporting framework that enables regular updates to relevant stakeholders, highlighting key themes, trends, and actionable insights will be developed. The	1	07/08/2026	30/09/2025	31/03/2027	This action has been deferred until March 2027 to allow the new pulse survey approach to become established and to explore a wider organisational listening strategy. During this period, we will work with HR and other stakeholders to map existing feedback mechanisms, understand how insight is captured and used, and identify opportunities for a more joined-up approach. Rationale for revised target date: Learning from the pulse survey implementation indicates that effective listening arrangements require time,

			framework will also include clear guidance and timelines for following up on action plans for achieving the required improvements implemented by services across the Council.					engagement and stakeholder support to embed successfully. A revised action will be implemented from March 2027, informed by the findings and experience gained during this period.
OCC Employee Feedback 2425	OCC HR & OD	Implement Formal Exit Interview Feedback and Reporting Procedures	A clear, formalised process for the management of exit interview feedback will be implemented. This will include steps for data collection, analysis and dissemination to relevant stakeholders.	2	07/08/2026	30/09/2025	30/09/2026	The Exit Interview workstream has developed beyond the scope of the original audit action and is now being delivered as a wider process redesign to address governance, escalation, reporting, audit control and workforce insight requirements. During the discovery and stakeholder engagement phase, it became clear that delivering a sustainable solution required agreement across multiple HR functions, IT and data teams, rather than implementing isolated process changes. As a result, progress has been dependent on technical feasibility assessments, system design, stakeholder consultation, and the alignment of supporting reporting and workflow solutions. The action remains actively managed through bi-weekly meetings with IT, and work has continued throughout the period. Significant preparatory work has also been completed ahead of the automation and workflow implementation, including agreement of the final MS Form questions, development of the MS Form, stakeholder

								engagement, and the drafting of supporting communications and guidance materials. As an interim measure, communications have also been arranged to reinforce the importance and value of completing exit interviews and to encourage greater participation while the redesigned process is being finalised. This includes a Viva Engage post published on 15 July 2026 and a headline feature to be confirmed (this was postponed due to LGR announcement. Revised Target Date The revised completion date reflects the time required to finalise technical solutions, complete system configuration, implement associated reporting requirements, and embed the redesigned process. Subject to the availability of required resources and dependencies, this date is considered achievable. This is currently expected to be the final revised completion date. However, delivery remains dependent on technical work and support from services outside HR's direct control, including IT development and reporting resources. Mitigation is in place through regular project oversight, stakeholder engagement, and ongoing monitoring of dependencies.

OCC Employee Feedback 2425	OCC HR & OD	Importance of Exit Interview Process	The importance of the exit interview process will continue to be communicated to employees. This will be enhanced to include communication regarding initiatives or changes made in response to exit interview insights. This will help to demonstrate the value of employee input, potentially encouraging higher participation	2	07/08/2026	30/09/2025	30/09//2026	Please see response above.
OCC Employee Feedback 2425	OCC HR & OD	Engagement Survey Feedback Procedures	The process for handling engagement survey feedback will be reviewed and procedures, timelines and expectations on the analysis and review by services of results and reporting back on any improvements and actions taken will be formalised.	2	07/08/2026	30/09/2025	30/09/2026	The procurement process to commission an external provider for a regular pulse survey and other surveys to explore colleague sentiment and feedback has completed following initiation in Feb 26. We are yet to be advised of the successful bidder and are eager to establish contact and commission the work. We estimate that we will be able to begin commissioning this month and anticipate an 8-10 week scale up. A full programme plan will follow. Risks to this process include the number of surveys and feedback requests being received by colleagues from other teams and associated with LGR. Ensuring the HR & CC function can manage/limit these appropriately through the use of our new platform, will be essential. Next update to be provided in a month.
OCC Employee Feedback 2425	OCC HR & OD	Grievance Monitoring Controls	Monitoring controls will be established to regularly assess the status of grievances cases, ensuring adherence to defined timescales and processes as per the Council's policies.	2	07/08/2026	30/09/2025	30/12/2026	The implementation of monitoring controls is contingent upon the development and agreement of Employee Relations (ER) Key Performance Indicators (KPIs). Once established, these KPIs will provide a framework for monitoring not only compliance with the Council's policies,

								procedures, and prescribed timescales, but also the performance and effectiveness of the Employee Relations team in managing grievance cases. The KPIs will form part of the work-pro case management system build and implementation. This will enable daily/weekly oversight of case progression, service delivery standards, and overall team performance. The revised target date is required to ensure that the KPIs are agreed with the HR Director and built into the case management system, with the team using this to both manage and report on the progress of cases in line with the KPIs. This remains achievable within the revised date, with current senior level input in the ER team
OCC Employee Feedback 2425	OCC HR & OD	Documentation of Case Risk Management Meetings	Discussions and decisions made during monthly at Case Risk Management meetings will be documented, which will include appropriate notes, minutes and action logs to provide a clear record of discussions and follow-up decisions	2	07/08/2026	30/09/2025	30/09/2026	Discussions, decisions and agreed actions arising from the monthly Case Risk Management meetings will be formally documented through meeting notes, minutes and action logs. This documentation will provide a clear audit trail of discussions, decision-making and follow-up actions, as well as an agreed timeline for case progression and closure. Records will also capture scenario planning, including identified risks, potential outcomes, mitigating actions and contingency plans, to support proactive case management, effective oversight and accountability. Progress achieved to date includes robust recording at the monthly meetings, with clear documentation; toolkit development to support the decision making and case progression in line with policies and procedures. The revised target date is required to align with the case management system

								implementation with case histories live on the system, along with building team skills and understanding around scenario planning, case strategy, contingency planning and building manager skills for effective decision making at each stage of their case. This remains achievable within the revised dates, with tasks allocated across the team
OCC Void Management 24/25	OCC Adults	Establish Target Occupancy Rates	We will determine and set target occupancy rates for all categories and block contracts. These targets will be based on historical data, demand forecasts, and strategic goals. We will implement formal processes to regularly monitor and report on the targets to senior management.	2	09/06/2026	30/06/2025	31/08/2026	Ongoing work is being undertaken with Finance colleagues to understand the occupancy levels in supported living. This is the final cohort of block contracts that need to be reconciled to complete this task
OCC Health Payments 23/24	OCC Adults	Memorandum of Understanding	The MOU will be finalised, signed off and communicated to all relevant parties to ensure that appropriate arrangements are in place.	2	09/06/2026	31/07/2024	31/08/2026	The updated MOU is in the S75 development plan – to be completed August 2026.
OCC YPSA 22/23	OCC Childrens Services	Referrals Process	All referrers, whether OCC teams or District Councils, will be reminded of, or given training in, the correct process for referring young people into YPSA, including correct use of forms, requesting the appropriate service package, and making referrals through brokerage in accordance with the Specification. Agreement/commitment from Heads of Service, Team Managers and Q & I, will be obtained, to follow the correct	2	30/07/2026	31/07/2023	31/08/2026	A new YPSA referral form is shortly to go live and the guidance will be updated at that this point. Form in testing phase with the support of the System Improvement team. Officer responsible will confirm when this aspect is complete.

			process, as per the Specification.					
OCC Childrens DPs 2425	OCC Childrens Services	Approach and Strategy to Children's Direct Payments	The current approach to Children's Direct Payments will be reviewed. The DP Advice Team will be asked to provide information on the potential benefits of the use of different types of accounts (i.e. self-managed, managed and online) so that consideration can be given to whether, where possible, it may be appropriate to encourage online and managed accounts going forward	2	30/07/2026	28/02/2025	31/12/2026	The service liaise directly with the direct payments team about the best form of account for families and where possible aim to progress online and self-managed account to avoid the fees associated with managed accounts. CHCC are moving towards solo managed accounts when parents struggle to find PAs these accounts are more expense. Our approach for managed accounts is routinely where we have concerns about how parents use the money inappropriately or where parents have learning difficulties and are not able to manage without oversight.
OCC Childrens DPs 2425	OCC Childrens Services	Review of Management Information Requirements	Consideration will be given to what management information would be helpful from Deputy Director level down to team level regarding children's direct payments to feed into further discussion with the Payments & System Data Team on development of management information / reporting (the development of management information and reporting is covered under finding 7).	2	30/07/2026	28/02/2025	31/12/2026	The report was commissioned by the finance team and was written to support the needs of the team. However, we've a change of staff this ceased and needs to recommence.

OCC Childrens DPs 2425	OCC Childrens Services	End to End Process Review – Education Direct Payments	Processes, roles and responsibilities in relation to the use of direct payments by Education (primarily used at present as a way of funding EOTAS provision) will be reviewed and confirmed to ensure that where direct payments are used, there is clarity over roles and responsibilities within the service area and the Payments and System Data Team, and consistency in approach in terms of communication with recipients, completion of key documentation and to oversight of the direct payment arrangement once in place.	2	29/07/2026	31/03/2025	30/09/2026	End to end process is currently being finalised.
OCC Childrens DPs 2425	OCC Childrens Services	Education Direct Payment Agreements (Funding Agreement)	The Direct Payment Agreement / Funding Agreement for education direct payments will be reviewed in conjunction with the DP Advice Team. Updates will be made as required (including but not limited to minimum retention periods, reference to DP Audit Team activity / involvement, clarifications on the clawback of surplus funds). The updated version will be approved by the Deputy Director of Education	2	17/07/2026	31/01/2025	31/08/2026	Please see response above.

OCC Childrens DPs 2425	OCC Childrens Services	Confirmation of Roles, Responsibilities and Process for Oversight of Education Direct Payments	Discussions are underway between Education and the Payments and System Data Team to confirm process, roles and responsibilities of both teams in relation to Education related direct payments. Processes, roles and responsibilities will be formalised as a result of the end to end process review agreed under finding 1 above.	2	17/07/2026	30/04/2025	31/08/2026	Please see response above.
OCC Childrens DPs 2425	OCC Childrens Services	Training and Documented Guidance	Following confirmation of roles, responsibilities and process relating to the oversight and review of Education DPs, training sessions will be arranged for relevant Education staff. This will cover roles, responsibilities and process for the oversight, audit, follow up and escalation. Documented guidance will also be produced and circulated	2	17/07/2026	31/05/2025	31/08/2026	Please see response above.
OCC Childrens DPs 2425	OCC Childrens Services	Communication of DP Audit Process for Existing Education DP Recipients	Following on from confirmation of roles, responsibilities and process for the audit of education related direct payments, targeted communications will be produced and sent to existing education direct payment recipients providing information on the process, expectations for supporting document retention etc.	2	17/07/2026	31/05/2025	31/08/2026	Please see response above.

OCC Childrens DPs 2425	OCC Childrens Services	Education Review Process	As part of the end to end process review detailed as part of management action 1b) above, the expectations for review of direct payment arrangements as part of the annual review process will be confirmed and communicated. This will include communications between the service and the DP Audit Team (covering how the reviews by each team can be co-ordinated / how they can inform each other) and communications with parents / carers	2	17/07/2026	30/04/2025	31/08/2026	Please see response above.
OCC IROs 24/25	OCC Childrens Services	b) Enhance Functionality in LCS	We will explore the possibility of upgrading the LCS system to include functionality that allows for automated flagging and notifications to IROs when changes are logged. This would require approval through Change Board and would ultimately ensure that IROs are immediately informed of significant events.	2	30/07/2026	30/09/2025	30/09/2026	This action is still in the pipeline for upgrades to the client held record system C.
OCC EHCP Top Ups 24/25	OCC Childrens Services	a) Review of Primary Top Up Guidance	The intranet guidance available to schools on the primary school EHCP top up process will be reviewed and updated. This will include refreshing out of date content, updating broken links and adding additional guidance on the process for obtaining top up funding.	2	29/06/2026	31/08/2025	30/09/2026	Although these actions appear relatively straightforward, work undertaken since the audit has highlighted that the issues identified are symptomatic of a much wider problem with the current guidance available to schools. The existing information is dispersed across multiple areas of the Schools Intranet, can be difficult to locate, contains outdated content and broken links, and requires a more fundamental review than originally anticipated.

								Progress has also been impacted by competing service priorities, including budget forecasting, delivery of SEN Reform activity and work associated with the proposed banding review. Given the expectation that a banded funding approach would be introduced, there was a risk that any substantial revision of the existing guidance would quickly become obsolete. As a result, updates were deferred pending greater certainty on the future funding model. However, the anticipated banding arrangements have not yet been implemented, and a revised approach has now been agreed. Rather than updating a number of separate webpages, I have been advised to develop a single standalone guidance document for schools which clearly sets out the process for applying for and claiming SEN funding. This will not only address the specific audit recommendations relating to primary and secondary top-up funding but will also improve accessibility and consistency of information for schools more generally. Work on this document is underway and is scheduled for completion by 31 August 2026, in line with the revised audit action deadline.
OCC EHCP Top Ups 24/25	OCC Childrens Services	b) Review of Secondary Exceptional Funding Top Up Guidance	Guidance available to schools on the process for obtaining exceptional top up funding will be made available via the schools intranet pages.	2	29/06/2026	31/08/2025	30/09/2026	Please see response above.

OCC S151 Schools Assurance 2425	OCC Finance	a) Review of Schools Financial Value Standard Process	A review of the way in which the assurance which can be gained from SFVS return process can be improved, including consideration of how meaningful review and challenge of submissions can be introduced, will be completed, with appropriate actions taken to improve the process	2	13/07/2026	31/07/2025	30/11/2026	***Overall Position*** The audit actions remain partially due and require a more specific delivery plan, this has been contingent on developing the direction of travel with School Finance / Education Finance Service (EFS). The delay does not indicate that the risks have been unrecognised. The Children Education and Families (CEF) Finance Business Partners (FBPs) & EFS team has prioritised immediate risk mitigation, continuity of statutory assurance and the wider redesign of the schools finance operating model, rather than progressing all improvement actions at the pace originally envisaged. Exposure has been managed through existing oversight routes, targeted work on schools of financial concern, revised governance arrangements and continued focus on statutory responsibilities. The next phase will see progress in moving from interim mitigation to formal closure of residual actions.
OCC S151 Schools Assurance 2425	OCC Finance	b) Assurance Reporting on the SFVS	Following improvements to the SFVS returns process, assurance reporting will be developed and implemented to provide more useful oversight of the process to the Finance Business Partnering team. Reporting to the schools financial management oversight group will also be considered and implemented as appropriate.	2	13/07/2026	31/08/2025	30/11/2026	

OCC S151 Schools Assurance 2425	OCC Finance	a) FBP Team Processes for Oversight of Budget Setting & Monitoring	Roles, responsibilities and processes for oversight, within the Finance Business Partnering Team, of budget setting and budget monitoring will be reviewed and clarified to ensure that a robust and appropriate assurance process is in place. This work is already underway with the Finance Business Partner – Education developing arrangements. Regular meetings with both EFS and School Improvement are now in place	2	13/07/2026	30/06/2025	30/11/2026	***Rationale for revised delivery profile*** The pace of completion has been affected by three main factors: - the future role and scope of the Education Finance Service has been unclear as an insourcing proposal and future operating model have been developed. This has affected the extent to which improvement actions could reasonably be delivered through the current arrangements. - EFS capacity has reduced through retirements and freeze on recruitment, creating pressure on delivery alongside business as usual support to schools. - the internal CEF FBP team has focused on the areas of greatest immediate exposure, including schools in deficit, escalation processes, financial monitoring, update of the Scheme for Financing Schools, consultation with schools, financial escalation guidance and knowledge transfer from EFS before further capacity is lost. ***Interim Risk Management*** The audit risks have been contained and monitored while the longer-term structural solution is developed. The Schools Financial Management Oversight Group provides a formal quarterly mechanism to bring together Finance Business Partnering, School Improvement, EFS, Education Personnel Services, Banking, Financial Systems and Support, and other relevant assurance sources. Its remit includes the Scheme for Financing Schools, the Financial Manual of Guidance, deficit budgets, banking activity, purchasing card issues, audit reports, escalation routes, training requirements and Schools Financial Value
OCC S151 Schools Assurance 2425	OCC Finance	b) Review of Reporting Arrangements to FBP Team	Reporting arrangements from EFS to the Finance Business Partnering team will be reviewed to ensure that coverage and frequency of reporting is appropriate. This will include development of reporting on budget monitoring which provides a collective position (current reporting is focussed on individual schools). The outcomes from this work will feed into the review of EFS contractual arrangements referred to as part of Management Action 7 below and the development of reporting referred to as part of Management action 1b	2	13/07/2026	31/07/2025	30/11/2026	

OCC S151 Schools Assurance 2425	OCC Finance	d) EFS Escalation Process	The EFS escalation process will be reviewed and confirmed to ensure that there is an appropriate, formal process in place.	2	13/07/2026	30/09/2025	30/11/2026	Standard assurance reporting. This provides a clearer route for visibility, coordination and escalation, so that financial management concerns are considered consistently rather than in isolation. This group has been meeting quarterly during this year, with the aim to close the audit actions and update the relevant Schools Financial Manual of Guidance. ***Specific closure plan and timescales*** Residual actions will be closed through a structured plan from August to December 2026. This will be undertaken alongside the in sourcing of the Education Finance Service, and a full review of their operating model. ***August & September 2026*** Review residual audit actions confirming status, risk exposure, mitigations, dependencies and evidence needed for closure. Take an update to the Schools Financial Management Oversight Group and confirm how audit actions align to statutory DfE requirements, the local Scheme for Financing Schools, SFVS assurance, escalation processes and the future EFS operating model. Progress school consultation on proposed changes to the Scheme for Financing Schools and present updates to Schools Forum on 29 September 2026, subject to consultation feedback. Progress the first tranche of updates to the Schools Financial Manual of Guidance
OCC S151 Schools Assurance 2425	OCC Finance	d) Update to Scheme of Delegation for £50-£200K Deficit Budgets	Delegated authority for finance approval of school deficit budgets of between £50-200K will be formally documented in the scheme of delegation (formalising the current arrangement of Strategic Finance Business Partner approval of this range of deficit budget).	2	13/07/2026	30/06/2025	30/11/2026	
OCC S151 Schools Assurance 2425	OCC Finance	a) Updating of Scheme For Financing Schools	The Scheme for Financing Schools is in the process of being reviewed and updated.	2	13/07/2026	31/07/2025	30/11/2026	

								where changes support closure of audit actions. ***October & November 2026*** Use the Oversight Group cycle to test whether revised governance arrangements are operating as intended and confirm the evidence base for actions that can be closed following the September Schools Forum and first phase of manual updates. Complete remaining drafting and internal review of the Schools Financial Manual of Guidance, including ownership, reporting routes and escalation processes for recurring schools financial management risks. Prepare the closure evidence pack for the outstanding audit recommendations.
OCC Pensions Admin 2425	OCC Finance	b) Updated Performance Reporting (Employers)	Development of performance reporting will be part of the performance objectives of the Team Leaders for 2025/26. Appropriate performance reporting covering the work undertaken within the Employers team will be developed and implemented.	2	13/07/2026	30/09/2025	30/09/2026	The Altair system is on track to be updated along with workflows so that the insights reports can be run going forward. This is expected to be completed mid-August and reported to Pension Fund Committee in September 2026.

APPENDIX 5 — Internal Audit Definitions.

Overall Conclusion Gradings:

Red - The system of internal control is weak, and risks are not being effectively managed. The system is open to the risk of significant error or abuse. Significant action is required to improve controls.

Amber - There is generally a good system of internal control in place, and the majority of risks are being effectively managed. However, some action is required to improve controls.

Green - There is a strong system of internal control in place and risks are being effectively managed. Some minor action may be required to improve controls.

Management Action Priorities:

Priority 1 – Major issue or exposure to a significant risk that requires immediate action or the attention of Senior Management.

Priority 2 – Significant issue that requires prompt action and improvement by the local manager.

Supplementary Issue – Minor issues requiring action to improve performance or overall system of control.

Root cause categories and descriptions:

PROCESSES - Inefficiencies or gaps in workflows or procedures. Are processes clearly defined, documented and communicated and followed effectively. Are the processes efficient and effective.

PEOPLE - Skills gaps, unclear responsibilities, or cultural issues. Examines the human element, individual skills, training, competency, experience of staff, adherence to procedures, workload, communication and supervision.

SYSTEMS / TECHNOLOGY - System limitations, poor integration, or lack of automation. Assesses the technology and systems used, design, implementation and maintenance, suitability for intended purpose.

MANAGEMENT / GOVERNANCE - Weak oversight, policy non-compliance, or lack of accountability. Examines whether management is providing adequate direction, resources and oversight and if governance structures are effective. Willingness to acknowledge or learn from mistakes.

CULTURE / ENVIRONMENT - Market conditions, regulatory changes, or third-party dependencies. Looking at the broader context, including physical environment, workplace culture, external factors.