ST HELENS
BOROUGH COUNCIL

Internal Audit Progress Report

1 Internal Audit Role

1.1 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. The Authority's Internal Audit function is provided by St Helens Borough Council, who conform with the Global Internal Audit Standards (GIAS).

1.2 The Chief Audit Executive (Head of Audit and Risk) is required to give an annual opinion on the Authority's governance, risk, and control environment. The opinion given is based on the work carried out by the service during the year and other known areas of assurance.

1.3 Internal Audit will also highlight any significant risks that have been identified during audit and assurance work and will report on action taken to mitigate risk to within organisational tolerance.

1.4 Progress reports summarise work completed to deliver the approved Annual Internal Audit Plan for the financial year and highlight any significant changes to that plan.

2 Background

2.1 This report summarises the progress made by Internal Audit to provide assurance to Authority members and the Audit Committee on the effectiveness of risk management, governance, and the control framework. The progress reports will also provide details of any significant risks that have been identified together with the progress made to mitigate previously identified risks or issues.

2.2 For the year 2026/27, MRWA purchased 50 days of internal audit work from St Helens Borough Council. This report covers work completed up to 06th November 2026 and summarises:

- Progress against the 2025/26 and 2026/27 Internal Audit Plan.
- Details of audit recommendations which are outstanding.
- The assurance level opinion and recommendation priority definitions.

3 Overall Comment

3.1 Based on the work finalised or undertaken to 06th November 2026, the main points can be summarised as follows:

- One audit report from the 2025/26 Audit Plan has been published and this Audit Plan is now complete.
- Three internal audit report were issued, summarised in **Appendix A**, and one audit review is currently at draft reporting stage.
- There is one recommendation that has passed its agreed date of implementation. See **Appendix B**.

4 Plan Changes

4.1 The agreed Audit Plan is an agile plan and is subject to regular review. There have been no changes made to the audit plan since its approval.

5 Appendices

- Appendix A – Internal Audit Plan progress
- Appendix B – Summary of outstanding recommendations
- Appendix C – Detail of outstanding high and critical priority recommendations.
- Appendix D – Internal Audit opinion methodology

Appendix A - Reports Issued

Internal Audit Reports issued as final between 26th May and 6th November 2026 from the 2025/26 Audit Plan.

Audit Name	Scope	Date Published	Assurance Opinion	Recommendations				
				Total	C	H	M	L
IT Cyber Security	The review will consider the effectiveness of the Authority's cybersecurity framework, policies, and controls in protecting information assets against cyber threats.		Reasonable	4	0	1	2	1

Internal Audit Reports issued as final between 26th May and 6th November 2026 from the 2026/27 Audit Plan.

Audit Name	Scope	Date Published	Assurance Opinion	Recommendations				
				Total	C	H	M	L
Resource Recovery Contract	A review of the effectiveness of the control environment for contract management for the Resource Recovery Contract.	13-Oct-26	Substantial	0	0	0	0	0

The following provides an update on the remaining 2026/27 audits:

Audit Name	Scope	Status
Data Protection	An audit review of Data Protection was last carried out in 2018 following the introduction of the Data Protection Act 2018, including General Data Protection Regulations. A follow up review will be carried out to ensure processes developed following the introduction of the new legislation have been fully embedded and are still operating effectively.	All testing has been completed. The draft report has been agreed by service managers and is currently with Senior Management for approval before this will be published as final.
Corporate Governance	To assess the governance framework, the promotion of ethics and values, risk management arrangements and the processes surrounding the production of the Annual Governance Statement, including the annual assessment process and the production and review of the Annual Improvement Plan.	Ti be completed in quarter 3. Auditor has been assigned and is currently undertaking pre-audit research.
Financial Monitoring	The review will assess the effectiveness of the Authority's financial monitoring framework in ensuring that financial resources are accurately recorded, regularly reviewed, and appropriately managed to support sound decision-making and good governance.	To be undertaken in quarter 4.

Appendix B – Outstanding Audit Recommendations

The following table highlights audit actions of critical, high, and medium priority audit recommendations that had a target date on or before 6th November 2026, which were not confirmed as implemented at the report date.

Audit Title	Total	Critical	High	Medium
Contract Management	1	0	0	1
Total	**1**	**0**	**0**	**1**

Appendix C – Outstanding High Priority or Critical Recommendations

None

Appendix D - Internal Audit Opinion Methodology

Assurance Levels

Assurance Level	Definition
Substantial	A sound system of governance, risk management and control exist with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Recommendation Priorities

Priority Level	Definition
Critical	Failure to address the risk could potentially lead to catastrophic loss of council services; loss of life; significant environmental damage or major financial loss; with national press coverage and substantial damage to the council's reputation. Remedial action must be taken immediately.
High	Failure to address the address the risk could potentially lead to failure to achieve organisational objectives, serious injuries, significant disruption to council business or to users of its services, high financial loss, inefficient use of resources, failure to comply with law or regulations, damage to the council's reputation. Remedial action must be taken urgently.
Medium	Failure to address the risk could potentially lead to an impact on operational objectives, moderate injuries, moderate financial loss, moderate breach of law or regulations, moderate reputational damage. Prompt specific action should be taken.
Low	Matters that individually have no major impact on achieving the service's objectives. Specific remedial action is desirable.