

# Cheltenham Borough Council

Report of Internal Audit Activity

October 2025

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# Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- **No**
- **Limited**
- **Reasonable**
- **Substantial**



## Audit Framework Definitions

### Control Assurance Definitions

<b>No</b>	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.
<b>Limited</b>	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.
<b>Reasonable</b>	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.
<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

# Internal Audit Definitions

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.



## Audit Framework Definitions

### Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
<b>Priority 1</b>	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
<b>Priority 2</b>	Important findings that need to be resolved by management
<b>Priority 3</b>	Finding that requires attention.

### Definitions of Risk

Risk	Reporting Implications
<b>High</b>	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
<b>Medium</b>	Issues which should be addressed by management in their areas of responsibility.
<b>Low</b>	Issues of a minor nature or best practice where some improvement can be made.

## Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Counter Fraud and Enforcement Unit	Final Report	Low Substantial	1	-	-	1	Reported in July
Key Financial Control	Payroll – Publica Controls	Final Report	Mid Substantial	0	-	-	-	Reported in July
Key Financial Control	Payroll – Council Controls	Final Report	Low Reasonable	2	-	2	-	Reported in July
Follow-Up	Grant Income	Final Report	N/A	0	-	-	-	Reported in July
Governance	Data Maturity	Final Report	N/A	0	-	-	-	Report Included
ICT	Disaster Recovery – Revenues and Benefits	Final Report	Low Substantial	0	-	-	-	Report Included
Follow-Up	Voids Review	Interim Report	N/A	0	-	-	-	Report Included
Operational	Recharging Mechanisms (Housing Services)	Final Advisory Report	N/A	10	5	3	2	Reported Separately
Key Financial Control	Bank Reconciliations	In Progress						
Operational	Income Streams (Licensing)	In Progress						
Follow-Up	Property and Estates	In Progress						
Operational	Climate Change – Operational	Initiated						
Key Financial Control	Revs and Bens – Council Tax and NNDR	Ready to commence						

## Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Key Financial Control	Revs and Bens – Hben and Ctax Support	Ready to commence						
Operational	Housing Allocations	Planned						
Operational	Accounts Payable – Quarterly Review 2025/26	On Going						
Grant Certification	Carbon Data 2023/24	Ready to Start						
Advisory	Procurement and Commissioning Group	On-Going						
Advisory	Corporate Governance Group	On-Going						
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

## Summary of Audit Findings

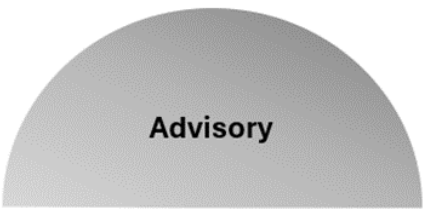
The following are the Internal Audit reports, of each audit review finalised, since the last Committee update

# Data Maturity – Final Report – September 2025

## Audit Objective

To assess CBC’s approach and understanding of data management against the Government’s Data Maturity Assessment Framework

## Advisory Report



### Advisory

The advice provided in this report encompasses risk analysis and evaluation based on current activity/operations. Please see below for details of why an advisory report has been used.

## Introduction / Background

This audit was requested by the Director of Governance, Housing and Communities, with a view to providing CBC with a baseline assessment to support their journey in becoming a data driven organisation.

This is an advisory audit, which has used the Government’s Data Maturity Assessment Framework (DMA) to help identify how well different areas of the organisation manage their data. The framework includes 10 topics, covering 97 points/questions, geared towards self-assessment. Led by discussions with Director of Governance, Housing and Communities, we have performed a high-level audit, focussing on 4 of the 10 topics, with the aim of setting the groundwork for a future self-assessment.

The 4 topics DMA covering 37 areas/questions are:

- Knowing the data you have
- Managing our data
- Protecting our data
- Taking responsibility for data.

The DMA assessment is based on 5 levels:

- Level 1: Beginning
- Level 2: Emerging
- Level 3: Learning
- Level 4: Developing
- Level 5: Mastering.

We have assigned each topic a level – the criteria for each level changes across each topic. Our assessment is an overall picture surrounding each topic, rather than answering each question individually. It should be noted that this is just a starting point, and further work is required by CBC to determine a more accurate assessment.

Due to the nature of this audit, we have not tested to support statements made by officers, although we have looked at their business continuity plans to determine if data considerations have been detailed if systems are unavailable.

We focused our review on two key areas from the above four topics from the DMA:

- Part one considered the governance relating to data maturity at CBC, for example, policies and procedures.
- Part two considered the data maturity of four specific service areas via interviews with the 4 relevant service managers. The service areas were:
  - Parking;



- Revenues and Benefits;
  - Housing – Community Services;
  - Development Management; and
  - Public Protection.
- (split across 4 managers).

The aim of this report is to highlight areas for consideration, suggestions, or best practise relating to data maturity, rather than to provide agreed actions, in order to build on the work currently being undertaken by CBC.

We have spoken to service managers to gauge their knowledge of data maturity in practice, and have not spoken to anyone with the IT department to ascertain what is done from a technical standpoint.

The Director of Governance, Housing and Communities has provided a management response to each topic, which has been included within this report alongside our findings. The response is their opinion on the levels of where CBC currently sit, based on their knowledge – the Director has a broader knowledge of data maturity across CBC than we are able to obtain from talking to a small number of officers, therefore we have added in their insights to highlight where they believe levels are different to our assessment, and why. The Director also advised that IT have not been consulted, and that the levels chosen might change once engagement with IT has taken place.

## Findings

The following is a summary of our key findings and suggestions in relation to the four topics from the DMA framework. An appendix to this report provides further detailed information which support our findings.

### **1. “Knowing The Data You Have”**

We assessed 3/4 areas within this topic based on information sourced online and/or interviews conducted.

- Ensuring findability of data.
- Managing disposal of data in the right way.
- Recording the data you hold and ensuring people can access it.

There was insufficient information to assess:

- Keeping good metadata.

Key findings from our interviews:

- None of the Managers we spoke to have an asset register or data catalogue.

Overall preliminary DMA Assessment: Based on the work conducted, we have assessed CBC as being between a **level 1 and level 2**.

- **Management Response:** The Director advised that they disagree with 2 of the 3 areas we assessed. They accept our assessment of ‘Ensuring findability of data’ is true of some information/data sets, but where the Council are using systems such as Civica, Uniform, QL and Idox, they believe that CBC are more advanced. They further advised under ‘Recording the data you hold and ensuring people can access it’ that they do have a Register of Processing Activities, which is essentially an asset register, however it needs updating.

**Suggestion: We suggest that the Register of Processing Activities is updated, and any further Asset Registers / Data Catalogues are implemented as necessary across CBC.**

## 2. "Managing Your Data"

We assessed 12/15 areas within this topic based on information sourced online and/or interviews conducted.

- Building a data quality culture
- Managing data disposal the right way
- Communicating limitations of data appropriately to users
- Linking data collection processes to organisational outcomes
- Acquiring existing data in the right way
- Applying data users' needs to product design
- Collecting data with user needs in mind
- Conducting data quality assessments
- Managing data quality across the data lifecycle
- Understanding what data processing to automate
- Applying data standards in your organisation
- Engaging with cross government data standards.

There was insufficient information to assess:

- Understanding the data quality needs of your users
- Building reproducible data processing
- Engaging senior leaders with data and its value to the organisation.

Key findings from our interviews:

- 2 managers do not have Data Retention Schedules, and the other 2 advised they have Data Retention Schedules that need updating.

Overall preliminary DMA Assessment: Based on the work conducted, we have assessed CBC as being between a **level 1 and level 3**.

**Management Response:** The Director advised that they disagree with 3 of the 12 areas we assessed.

The Director advised that they accept CBC are at a level 2 for 'Applying data users' needs to product design' due to reasons such as Netcall and a new compliance scorecard ). They further advised that CBC are developing in 'Collecting data with user needs in mind' and are therefore a level 2 in this area). For 'Applying data standards in your organisation', they believe that CBC are higher than we rated them. There are lots of examples within housing in particular where they are higher, and are data based on business need not just compliance.

**Suggestion: We suggest that all Data Retention Schedules are reviewed and updated.**

## 3. "Protecting Your Data"

We assessed 8/10 areas within this topic based on information sourced online and/or interviews conducted:

- Managing policies for data protection and data security
- Controlling access to data
- Reviewing governance and security incident responses
- Ensuring business continuity for data
- Measuring the effectiveness of your data protection processes

- Training staff to comply with and enforce data protection regulations
- Training staff to work with data securely
- Protecting your data.

There was insufficient information to assess:

- Assessing risks to data assets; and
- Recording and securing your data tools and systems.

Key findings from our interviews:

- All 4 managers provided CBC Business Continuity Plans (BCP's) created in 2024
- 3 BCP's contained Business Continuity Team contact details that were either not up to date or not sufficient in detail
- 2 BCP's were not fully completed
- 3 of the managers advised they have not tested their BCP since the new format was introduced. At the time of report writing, we were still awaiting a response from 1 manager
- All BCP's include a 'Loss of IT systems' section and 'Manual workarounds' appendices.

Overall preliminary DMA Assessment: Based on the work conducted, we have assessed CBC as being between a **level 1 and level 2**.

**Management Response:** The Director advised that they disagree with 5 of the 8 areas we assessed.

The Director advised that they believe that CBC scores higher than we rated them for 'Controlling access to data', but would like IT's view on this. They believe that CBC are at a level 3 for 'Reviewing governance and security incident responses' as they "*review all data breaches as they come in, plus quarterly at the corporate governance group. We also have our annual PSN submission*". They also advised that CBC are at a level 3 for 'Ensuring business continuity for data', as CBC has both a corporate recovery plan and "a centralised storage area for all service level plans". For 'Training staff to comply with and enforce data protection regulations', CBC are higher due to the level of reports they get suggesting a higher awareness. They also disagree with our assessment of 'Protecting your data', but would like to speak with IT regarding this.

**Suggestions: 1) We suggest that a review of all BCP's should be undertaken to ensure they are current, complete, and that data is fully considered. 2) We suggest that BCP testing is undertaken across CBC to ensure the data arrangements included are effective. 3) We suggest that CBC consider utilising the Matobo Data Confident online training. 4) We suggest that CBC review whether systems are locked down fully enough, and ensure that only the necessary staff have access as required. NB: We can confirm that since this report was first issued, CBC have put out communications instructing all staff to undertake mandatory Matobo Data Confident training.**

#### **4. "Taking Responsibility for Data"**

We assessed 6/8 areas within this topic based on information sourced online and/or interviews conducted:

- Defining and recording accountability and ownership for data
- Creating and embedding data governance
- Defining who should have responsibility for data
- Maintaining awareness of data legislation within senior leadership
- Creating and enforcing structured responsibility and accountability for data
- Defining oversight and responsibility for ensuring staff have necessary data skills.

There was insufficient information to assess:

- Taking responsibility for recording the data you hold
- Assigning ownership and responsibility for data tools and systems.

Key findings from our interviews:

- 2/4 managers advised Officers had been allocated in their service areas as responsible for the systems they use and the data they hold; and
- 3/4 managers thought all Officers in their service areas are aware of their data related responsibilities, 1/4 manager advised they thought Officers are aware of the issue generally, but probably not in terms of detailed awareness.

Overall preliminary DMA Assessment: Based on the work conducted, we have assessed CBC as being between a **level 1 and level 2**.

**Management Response:** The Director advised that they agree with all 6 areas we assessed.

**Suggestion:** We suggest that work be undertaken to ensure that data related practices become more consistent, and that they are understood and embedded at all levels of the organisation.

## Conclusion

All service areas tested within our review have good examples of data maturity; however, this could be enhanced to improve the overall level of data maturity that CBC are operating at.

CBC are committed to ensuring they are operating at a high level of data maturity. We have included suggestions for consideration within this report which aim to increase CBC's overall data maturity as an organisation.

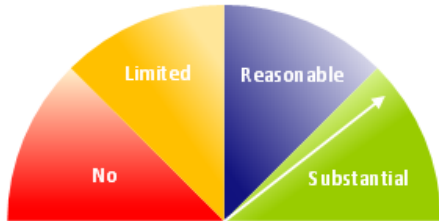
Failure by the Council to continue to grow their data maturity with the aim of all employees having the necessary awareness and understanding, could lead to data being unavailable and poorly managed, potentially resulting in flawed decisions being made, strategic, operational and corporate priorities left unmet, and potential data breaches.

# Disaster Recovery (Revenues and Benefits) – Final Report – October2025

## Audit Objective

To replicate an ICT disaster recovery (Revenues and Benefits service) scenario and provide assurance that Disaster Recovery arrangements are managed effectively.

## Executive Summary



### Assurance Opinion

The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives.

### Management Actions

Priority 1	0
Priority 2	0
Priority 3	0
Total	0

### Organisational Risk Assessment

Medium

Our audit work includes areas that we consider have a medium organisational risk and potential impact.

## Key Conclusions



**Disaster Recovery Test:** This test intends to replicate a disaster scenario where the Council’s physical servers are unavailable. Established criteria for a successful test this year is being able to fully recover and operate the Revenue & Benefits application for each of the 4 Councils in a secure cloud environment using cloud back-ups. Preparation is crucial for ensuring the cloud recovered applications do not interfere with the live applications hosted on the Council servers.



**Challenges Encountered:** When the recovery test started it was identified that some supporting systems were not starting as expected when mounted in Microsoft Azure (Cloud Computing Platform). This was tracked back to a recent change in the way Microsoft Azure handles recovered systems. It was decided, given that this was a test scenario, there was insufficient working hours’ time to complete the recovery so the test was rescheduled while a solution was identified and implemented. If this had happened in a real disaster it is estimated that this problem would have delayed recovery by approximately 6 hours. A permanent solution for this issue is now in place.

The rescheduled test successfully navigated the issues from the first attempt and the recovery process began as expected. The team reconvened 48 hours later to allow sufficient time for data transfer and working hours. The necessary technical tasks were completed to bring the systems online allowing user access to the system. Screenshots were then obtained to demonstrate that test data was present in the recovered systems demonstrating system integrity.

## Audit Scope

The audit includes:

- Test data insertion into the Council’s Revenues & Benefits systems prior to the test commencing.
- Full walkthrough of the recovery process of the Council’s Revenues & Benefits system.
- Confirmation that the data restored is accurate and data inserted in the on-premises system is present in the recovered system.

Scope exclusions: Service area plans are not included in this ICT review as they are audited separately.

## Other Relevant Information

Senior ICT Officers have advised that the longer recovery times compared to last year’s recovery test is due to the systems being approximately 4 times larger. A 48-hour window was allocated for this test, but it’s important to note that recovery times will vary significantly depending on the nature of the disaster and the priority of systems requiring recovery.

Cyber incidents at neighbouring authorities have further demonstrated that borough and district Councils are targets for hackers. Officers see the threat of a cyber incident as a matter of when and not if. This is the main factor in assessing the Organisational Risk Assessment as “Medium”.

## Voids Process – Interim Report – October 2025

### Follow Up Audit Objective

Follow-Up of 2024/25 Voids audit to assess if actions to improve the management of void properties including ordering, inspection, monitoring, and payment processes have been implemented.

#### Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	1	1	0	2
Priority 2	4	2	0	6
Priority 3	0	0	0	0
<b>Total</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>8</b>

#### Interim Assessment.

We have prepared this interim report at the request of Audit, Compliance and Governance Committee to provide an update of the progress of the agreed actions from our 2024/25 Voids Advisory Review. Since the original advisory audit was completed in October 2024, there has been significant staff turnover, work to improve the QL system is still in progress and therefore processes have not developed as swiftly as management planned.

Our findings have been summarised below; we have found 5 actions have been completed and 3 are in progress. Although some actions are complete, the underlying controls must still be operated effectively to mitigate against the risks we originally identified.

Once processes are established and embedded, we will undertake a full audit in this area and provide assurance accordingly.

#### Key Findings Update.



**There is no Voids Management Policy or Procedure** – In progress. The Director of Governance, Housing and Communities advised a Voids Management Policy has been drafted and is due to be approved by the Housing Committee this November.

**Budget Monitoring is ineffective** – In progress. The Operations Manager advised monthly budget monitoring meetings with Finance officers have recently been introduced and that processes are still being formally established. Therefore, we cannot assess this action as complete.

**Lack of Management Oversight** - In progress. More proactive monitoring of operational performance is being undertaken; weekly meetings at the Depot are being attended by the Head of Housing Services to monitor how operational works are progressing. But again, we have not seen sufficient evidence to assess the action as complete.



**Declarations of Interests are not recorded** - Action complete. As CBC Officers, all former CBH employees must now complete a Declaration of Interest form annually.

**Financial Rules are not complied with – Procurement** – Action complete. 3 major void contracts have been reviewed and awarded to Company A, Company B and Company C. The Head of Housing Services advised contract management work is ongoing and contractor meetings have been recently introduced. However, we have only seen contract management meeting minutes from early September for one contractor. It is important to ensure that regular, robust contract management meetings are undertaken to ensure contractors are held to account and value for money is achieved.

**Orders are raised and approved by the same officer** – Action complete. Orders are raised in QL, but all payments are now made in BW; review of recent voids invoices in BW found different registering and approving Officers.

**Quotations are not easily accessible, and records maintenance is poor** – Action complete. The Director of Governance, Housing and Communities advised now CBC are in contracts for major voids quotes are not used anymore.

**Financial Rules are not complied with – Multiple works orders** - Action complete. Review of a report of recent contractor void costs found there were no multiple works orders that were collectively over the £10,000 limit.

### Observations and Next Steps.

The Head of Housing Services took over responsibility for overseeing the management of Void properties from the beginning of June 2025. We can report that work is still ongoing to address the control failures and findings identified in our original audit, and others which have come to light since this work began.

The Head of Housing Services advised there was not an accurate record of all Void properties including void costs when the officer took over responsibility for the service. We have seen evidence to support a basic interim Voids Database has been created, and the Head of Housing Services advised the information held for each void is now correct. Building on this, the Head of Housing Services advised work to review and formally establish all void processes is currently underway. And work to explore how the QL Housing system can be configured and automated to better support the management of voids will be undertaken with finance and IT including accurately tracking the progress of each void, void spend, the raising and approving of orders, spending limits and voids records management.

The Head of Housing Services advised (October 2025) the CBC inhouse team now focus on minor voids and the 3 recently procured contractors focus on all Major voids; at the time of report writing he advised 28 were currently with them. Since the interim Voids Database has been implemented, the Head of Housing Services advised operationally work to decrease the number of voids has been a high priority and the number of Voids has gone down from 172 in July 2025 to 150 (As of 19<sup>th</sup> September 2025 and excluding temporary furnished accommodation and James Donovan Court). The Head of Housing Services also advised since April 2025 CBC has received an additional 118 terminations and 23 new acquisitions.