Governance, Audit and Standards Committee 20 July 2026

Report of the Chief Audit and Control Officer

Internal Audit Review 2025/26

1. Purpose of Report

To inform the Committee of the work of Internal Audit during 2025/26 and to provide an annual Internal Audit Assurance Opinion that can be used by the Council to inform its Annual Governance Statement.

2. Recommendation

The Committee is asked to NOTE the Chief Audit and Control Officer's Annual Assurance Opinion and the work of Internal Audit in 2025/26.

3. Detail

Under the Constitution and as part of the overall governance arrangements, this Committee is responsible for monitoring the performance of Internal Audit.

In accordance with the Global Internal Audit Standards and the Application note: Global Internal Audit Standards in the UK Public Sector, published by the Institute of Internal Auditors (IIA) and the Chartered Institute of Public Finance and Accountancy (CIPFA) respectively (together, 'the Standards'), the Chief Audit and Control Officer must deliver an Annual Internal Audit Opinion and report that can be used by the Council to inform its Annual Governance Statement. The Internal Audit Annual Review Report for 2025/26 is included in the **Appendix**.

The Council has to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review is informed by the work of senior management who have responsibility for the development and maintenance of the governance environment, the Internal Audit Review Report and comments from external auditors and other inspectorates.

The system of internal control has been reviewed. On the basis of Internal Audit work competed, it is the opinion of the Chief Audit and Control Officer that the current internal control environment is satisfactory such as to maintain the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. Further context relating to this assurance opinion, including details of any caveats and limitations in scope, are provided in the appendix.

Overall, 96% of the planned audits were complete or awaiting finalisation as at the year-end, above the 90% target. As reported to this Committee on 23 March 2026, this takes into account the deferral of three audits in to 2026/27 at the request of the relevant Assistant Director.

The audit time released by such deferral was utilised to make an early start on the Internal Audit Plan for 2026/27.

4. Financial Implications

The comments from the Interim Deputy Chief Executive and Section 151 Officer were as follows:

The work of the Internal Audit team continues to provide crucial and independent assurance to management and Members over the key aspects of the Council's governance, risk management and internal control arrangements. The cost of Internal Audit is included within the established Finance Services budgets.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

This report already sets out the legal framework for Internal Audit to provide a summary of Internal Audit work. It addresses the statutory obligations for local audit processes. The Local Government Act 1972 and subsequent legislation sets out a duty for the Council to make arrangements for the proper administration of its financial affairs. This report also complies with the requirements of the following:

- Local Government Act 1972
- Accounts and Audit Regulations 2015
- IIA: Global Internal Audit Standards
- CIPFA: Application note: Global Internal Audit Standards in the UK Public Sector

The provision of an Internal Audit service is integral to financial management at the Council and assists in the discharge of its duties.

6. Human Resources Implications

Not applicable.

7. Union Comments

Not applicable.

8. Climate Change Implications

There are no climate change implications relating to this report.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

As this is a not a change to policy or a new policy an equality impact assessment is not required.

11. Background Papers

Nil.