

From: Russell Smith – Interim Head of Internal Audit

To: Governance and Audit Committee – 3rd November 2026

Subject: INTERNAL AUDIT PROGRESS REPORT

Classification: Unrestricted

Summary:

Governance & Audit Committee receives the Quarterly Internal Audit Progress Report for assurance purposes. This Progress Report details summaries of completed Audit reports for the period July 2026 – October 2026.

Recommendation:

The Governance and Audit Committee note the Internal Audit Progress Report for the period July 2026 to October 2026.

FOR ASSURANCE

1. Introduction

- 1.1 Professional Internal Audit standards require that periodic reports on the work of Internal Audit should be prepared and submitted to those charged with governance.
- 1.2 This report provides the Governance and Audit Committee with an update on delivery of the 2026/27 Internal Audit Plan, as agreed by the committee. It supports the committee's oversight of the adequacy and effectiveness of the Council's governance, risk management and internal control arrangements, and highlights any significant matters requiring its attention.

2. Roles and Responsibilities

- 2.1 The Governance and Audit Committee oversees the adequacy and effectiveness of the Council's governance, risk management and internal control arrangements. Internal Audit supports this oversight by providing independent assurance on whether those arrangements are appropriately designed and operating effectively.
- 2.2 Management, as the first line, is responsible for establishing an effective internal control framework. This includes suitable risk management processes, control activities, accounting records and governance arrangements.
- 2.3 Internal Audit's role is to deliver an objective assessment to management regarding the effectiveness and proper functioning of systems and controls.
- 2.4 As a vital component of the Council's internal control system, Internal Audit independently assesses and evaluates the adequacy and efficacy of these controls so that:
 - a) the Council can determine the extent to which it can rely on the overall system of controls in place; and
 - b) individual managers can gauge the reliability of the systems and controls for which they are responsible.

3. Overview and Purpose of the Progress Report

- 3.1 The progress report provides an update on the assurance and advisory work completed since July 2026 in which Members can gain assurance on the internal control environment. In appendix A, significant findings are highlighted with themes of issues raised.
- 3.2 The work undertaken by the Internal Audit throughout 2026/27, together with the work of some other assurance providers, will contribute to the Head of Internal Audit's overall annual opinion on the systems of control for inclusion within the 2026/27 Annual Governance Statement.

4. Progress Update Summary

- 4.1 The Internal Audit Plan FY2026/27 was presented to Governance & Audit Committee for endorsement in July 2026. Progress has been made against the Q1 allocated assurance work with four audits and three consultancy engagements now delivered to draft or final report stage. No corporate issues or concerns are being raised from the work undertaken.
- 4.2 There have been some minor changes to the approved plan, all of which have been endorsed by Senior Management and by the Interim Head of Internal Audit. These changes are included in the progress report.

- 4.3 Internal Audit resourcing levels are currently judged to be sufficient to deliver an annual assurance opinion in July 2027 in addition to the audit plans for our external fee-paying clients however due to a recent resignation, recently reduced hours for two members of the team and continued existing vacancies this will need to be kept under review.

5. Recommendation

- 5.1 Members are requested to note the Internal Audit Progress Report for the period July 2026 to October 2026.

6. Background Documents

Internal Audit Progress Report.

Internal Audit progress Report – Exempt.

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