

REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: **27th November 2025**

Report of: **Head of Internal Audit, Assistant Director SWAP**

Title: **INTERNAL AUDIT PROGRESS REPORT FOR THE YEAR ENDED 31 MARCH 2026 – QUARTER 2**

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To report on 2025/26 internal audit work during quarter 2. To advise on overall progress against the Audit Plan and to highlight areas where improvements in governance, risk or internal controls have been agreed.

2. Recommendations:

2.1 That the Internal Audit Progress Report for quarter 2 be noted.

3. Reasons for the recommendation:

3.1 One of the roles of this committee is to review delivery of the internal audit plan as well as the main issues arising and seek assurance from management that action has been taken, where necessary.

4. What are the resource implications including non financial resources

4.1 None

5. Section 151 Officer comments:

5.1 Although only 36% of the plan is complete or in progress, it is positive to note that SWAP still anticipate completing the audit plan this financial year.

6. What are the legal aspects?

6.1 Internal Audit is a statutory requirement in accordance with the broad requirements of section 151 of the Local Government Act 1972 which requires that, inter alia, '...every local authority shall make arrangements for the proper administration of their financial affairs'. More particularly, the role of Internal Audit is set out in the Accounts and Audit (England) Regulations 2015. Regulation 3 requires a local authority to have '...a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk'. Regulation 5 sets out the provisions concerning the role of Internal Audit and states that '[a] relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.

7. Monitoring Officer's comments:

7.1 Internal audit is an essential function '...providing risk-based and objective assurance, advice and insight' as stated in the Institute for Internal Auditors' 2017 Mission Statement.

The Mission Statement goes provides a definition of the role of internal audit and states that the fundamental purpose, nature and scope of internal audit is to provide '...an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes'.

By working with services across the Council, Internal Audit works to ensure that Council objectives are met and that risks are well managed.

8. Report details:

8.1 This Committee receives quarterly internal audit progress reports. This allows progress against the agreed plan and the main issues arising to be monitored, seeking assurance from management that action has been taken, where necessary. The 2025/26 Audit Plan was approved at this Committee on 19th March 2025. The purpose of internal audit is to provide an independent, objective assurance and consulting service designed to add value and improve the Council's operations. The mission of internal audit is to enhance and protect organisational value by providing risk based and objective assurance, advice, and insight. The internal audit Service helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 Good governance contributes to the Council's purpose of a "Well Run Council".

10. What risks are there and how can they be reduced?

N/A

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 The report is for information only.

12. Carbon Footprint (Environmental) Implications:

12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

N/A

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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