

Report to Audit Committee

Subject: Internal Audit Annual Report 2025/26

Date: 23 June 2026

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Purpose

To provide the Head of Internal Audit Opinion based on the outcome of the internal audit activity completed by the BDO Internal Audit Team in accordance with the approved 2025/26 Internal Audit Plan.

Recommendation(s):

THAT:

- 1) Members to note and approve the Internal Audit Annual Report and Head of Internal Audit Opinion for 2025/26.**

1. Background

- 1.1 The Internal Audit Annual Report and Head of Internal Opinion for 2025/26 provides a summary of Internal Audit's work and assurance for the year from 1 April 2025 to 31 March 2026, in accordance with the Internal Audit Plan approved by the Audit Committee on 18 March 2025. The conclusion and key findings from each audit have been summarised with the control design and control effectiveness opinion.
- 1.2 Internal Audit's opinion of the Council's internal controls is 'Generally satisfactory with improvements required in some areas' for 2025/26, based on the balance of the opinions issued from our audits in the year and the engagement with our follow up process. While we have changed the wording used for our opinions following the implementation of the new Global Internal Audit Standards, this is broadly equivalent to the Moderate opinion provided in the prior year.

- 1.3 All Internal Audit work has been performed in accordance with the Institute of Internal Auditors (IIA) Global Internal Audit Standards and the Internal Audit Standards Advisory Board's Application Note for the Global Internal Audit Standards in the Public Sector.

2. Proposal

- 2.2 The role of internal audit is to provide an opinion to Full Council, through the Audit Committee, on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. The Annual Report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes, within the scope of work undertaken by our firm as outsourced providers of the internal audit service.
- 2.3 The Internal Audit Annual Report and Head of Internal Audit Opinion provides an overview of the BDO Internal Audit Team's activity and opinion of the Council's internal control system for 2025/26.

3. Financial Implications

- 3.1 The Internal Audit Plan was delivered within the approved budgets.

4. Legal Implications

- 4.1 The Accounts and Audit Regulations 2015 require authorities to undertake effective internal audit to evaluate the effectiveness of risk management, control and governance processes. This report provides internal audit's annual opinion of the Council's system of internal controls for 2025/26 and is provided to this Committee in accordance with the Council's Constitution and delegations contained therein.

5. Equalities Implications

- 5.1 There are no equalities implications arising directly from this report.

6. Carbon Reduction/Environmental Sustainability Implications

- 6.1 There are no carbon reduction/environmental sustainability implications arising directly from this report.

7. Appendices

- 7.1 BDO Internal Audit Annual Report for 2025/26.