

Report to Audit Committee

Subject: Internal Audit Progress Report

Date: 20 October 2026

Author: Gurpreet Dulay – Internal Audit Partner (BDO)

Purpose

To summarise the outcome of internal audit activity completed by the BDO Internal Audit Team for the period up to the end of September 2026. Annex 1 also includes BDO's assessment of conformance with the Essential Conditions in the Global Internal Audit Standards (GIAS) for Members to agree and approve.

Recommendation(s):

THAT:

- 1. Members to note the progress (completion) of the delivery against the 2026/27 Internal Audit Plan, including executive summaries of the Section 106 and Community Infrastructure Levy Report and the Digital Strategy Report.**
- 2. Members agree and approves BDO's conformance assessment and the alternative condition for conformance with Standard 8.4 of the GIAS in the Essential Conditions Report (Annex 1).**

1. Background

- 1.1 The Internal Audit Plan for 2026/27 was approved by the Audit Committee on 24 February 2026. The progress report provides a summary update of the work undertaken by BDO for 2026/27 which includes summaries of the final internal audit report for the following reviews: Section 106 and Community Infrastructure Levy Report and the Digital Strategy.
- 1.2 The GIAS were published by the Institute of Internal Auditors (IIA) on 9 January 2024, replacing the previous International Professional Practices Framework standards and becoming globally effective from 9 January 2025. In the UK public sector, the adopted GIAS as the foundation for public sector internal auditing and developed supplementary guidance through the Application Note: Global Internal Audit Standards in the UK Public

Sector. These came into effect from 1 April 2025 for public sector organisations.

The GIAS require the Chief Audit Executive (CAE) to report to the Audit Committee and senior management periodically to outline the internal audit function's ability to fulfil the Purpose of Internal Auditing.

BDO's self-assessment is that it is fully conforming with eight of the nine essential conditions and is generally conforming with one (Standard 8.4). This standard relates to its External Quality Assurance (EQA). BDO has an EQA performed every 5 years, as required by the standards, however this is across all outsourced internal audit services that it provides across all its clients and it is not specific to only the Council. To comply with this standard, BDO would need to agree the EQA plan with each of its outsourced internal audit clients. The report summarises the arrangements in place for conformance against each of the nine essential conditions in the GIAS. BDO remains compliant with the GIAS.

2. Proposal

2.1 Since the last Audit Committee meeting, three reports have been finalised (Section 106 and Community Infrastructure Levy Report and the Digital Strategy).

3. Financial Implications

3.1 The Internal Audit Plan is 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 the annual position of internal audit for 2026/27 and is provided to 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 these reports.

6. Carbon Reduction/Environmental Sustainability Implications

6.1 There are no carbon reduction/environmental sustainability implications arising directly from these reports.

7. Local Government Reorganisation

7.1 On 7 September 2026, the Government announced a review of the national Local Government Reorganisation programme to ensure that the process is robust, legally compliant and aligned with the priorities of the new

Administration. Implementation of the decisions taken in July 2026 for 14 areas, including Nottingham and Nottinghamshire, has been paused while the review is undertaken. The Government has confirmed that it remains committed to effective and sustainable local government and to simplifying local government structures where reorganisation supports those aims.

- 7.2 The pause applies to the Government's July 2026 decision to establish two unitary authorities across Nottingham and Nottinghamshire, which would divide the existing Gedling Borough area between the proposed new councils. No timescale has yet been confirmed for completion of the review or for further decisions. The Government has stated that elections scheduled for May 2027 will proceed on existing council boundaries while the review is carried out. The Council will therefore continue to deliver services and operate under the existing governance arrangements, while maintaining appropriate readiness, working collaboratively with partners and keeping the position under review pending further Government clarification.

8. Appendices

Appendix 1 BDO Internal Audit Progress Report – September 2026.
Appendix 2 BDO Essential Conditions Report.