

	Audit and Standards Advisory Committee 16 June 2025
	Report from the Corporate Director of Finance and Resources
	Lead Member - Deputy Leader and Cabinet Member for Finance and Resources (Councillor Mili Patel)
Internal Audit Annual Report 2024-25	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	One Appendix 1: Internal Audit Annual Report 2024-25
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Darren Armstrong Deputy Director Organisational Assurance and Resilience Darren.Armstrong@brent.gov.uk 020 8937 1751

1.0 Executive Summary

- 1.1. This report summarises the activity of Internal Audit for the financial year 2024-25, including an update on work completed since the previous updated provided in December 2024.
- 1.2 The report is intended to support the Audit and Standards Advisory Committee in obtaining assurance that the Council has a sound framework of governance, risk management and internal control. It does this by summarising delivery of the Internal Audit plan, highlighting areas where recommendations have been made, and commenting on the level of implementation of audit recommendations by management.
- 1.3 The report also provides the annual audit opinion, provided by the Deputy Director Organisational Assurance and Resilience (Head of Internal Audit), on the adequacy and effectiveness of the Council's framework for governance, risk

management and control, which is used to support the Council's Annual Governance Statement.

2.0 Recommendation

2.1 The Committee is asked to:

- a) note the outcomes of the internal audit work completed in 2024-25.
- b) note the Annual Internal Audit opinion on the adequacy and effectiveness of the Council's framework for governance, risk management and control.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 The role and mission of the Internal Audit function is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. Internal Audit helps the Council to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the governance, risk management and control processes in place.
- 3.1.2 The mission of Internal Audit is achieved through providing a combination of risk-based assurance and consulting activities. The assurance suite of work involves assessing how well the systems and processes are designed and operating in order to effectively mitigate risk, while consulting activities aid with the improvement in systems and processes where necessary.
- 3.1.3 The response of the Council to the activity of Internal Audit should lead to the strengthening of governance arrangements and the control environment, and therefore, contribute to the achievement of strategic objectives.

3.2 Background

- 3.2.1 The Council's Internal Audit function is delivered in accordance with the Global Internal Audit Standards (GIAS). The GIAS guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function.
- 3.2.2 The *Global Internal Audit Standards in the UK Public Sector Application Note* requires the Chief Audit Executive (Head of Internal Audit) to make an annual conclusion over the effectiveness of the organisation's governance, risk management and control.
- 3.2.3 The Accounts and Audit Regulations 2015 further emphasise this requirement. Regulation 5 holds: *"[Each local 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 and guidance"*.

3.2.4 In addition, the Head of Internal Audit must also report annually on the results of the quality assessment carried out under GIAS 12.1 Internal Quality Assessment, including progress against action plans to address instances of non-compliance.

3.2.5 This report satisfies both of those requirements, with the Head of Internal Audit Annual Opinion detailed at section 10, and the Quality Assurance and Improvement Programme at section 11 of Appendix 1.

3.3 Internal Audit Annual Report 2024-25

3.3.1 The Internal Audit Annual Report is attached at Appendix 1, with the Head of Internal Audit's opinion reported at section 10.

3.3.2 The Head of Internal Audit's opinion is underpinned by the work undertaken by Internal Audit during 2024-25.

3.3.3 To this end, the work performed by Internal Audit in 2024-25 was in accordance with the plan agreed by CMT and the Audit and Standards Advisory Committee in March 2024. The 2024-25 plan was developed to provide assurance against key risk areas that may threaten the achievement of the Council's corporate objectives and priorities. It was drafted from a number of sources including the Council's strategic risk register, an Internal Audit risk assessment, audit plans of other local authorities, intelligence from previous audits, and CIPFA good governance guidelines.

3.3.4 The plan also sought to provide continued assurance over the Council's key systems and processes, including key financial systems, and areas where senior management has requested independent assurance.

4.0 Stakeholder and ward member consultation and engagement

4.1 None.

5.0 Financial Considerations

5.1 The report is for noting and so there are no direct financial implications.

6.0 Legal Considerations

6.1 All Local Authorities are required to make proper provision for Internal Audit in line with the 1972 Local Government Act and Accounts and Audit Regulations 2011 (as amended). The Global Internal Audit Standards in the UK Public Sector Application Note requires the Chief Audit Executive (Head of Internal Audit) to make an annual conclusion over the effectiveness of the organisation's governance, risk management and control.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 None.

8.0 Climate Change and Environmental Considerations

8.1 None.

9.0 Communication Considerations

9.1 None.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources