



## Audit and Standards Advisory Committee

3 December 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 Interim Report – 2025-26

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| <b>Wards Affected:</b>   | All  |
| <b>Key or Non-Key Decision:</b>  | Not Applicable   |
| <b>Open or Part/Fully Exempt:</b><br>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act) | Open   |
| <b>List of Appendices:</b>   | One<br>Appendix 1: Interim Internal Audit Report 2025-26   |
| <b>Background Papers:</b>  | None   |
| <b>Contact Officer(s):</b><br>(Name, Title, Contact Details)   | Darren Armstrong, Deputy Director Organisational Assurance and Resilience<br>020 8937 1751<br><a href="mailto:Darren.Armstrong@brent.gov.uk">Darren.Armstrong@brent.gov.uk</a> |

### 1.0 Executive Summary

- 1.1 This report outlines the work undertaken by Internal Audit as at end of October 2025.
- 1.2 The report is intended to support CMT and 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 Internal Audit activity, updating on the performance of the function, highlighting areas where high priority recommendations have been made and commenting on the level of implementation of audit recommendations by management.

### 2.0 Recommendations

- 2.1 The Committee is asked to note the report.

### 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 Internal Audit Plan for 2025–26 continues to adopt a more flexible and agile approach to delivery, building on the shift away from a rigid structure seen in previous years. At the same time, it maintains a strong focus on providing assurance over the Council's core systems and processes, which remain fundamental to its governance, risk management, and internal control framework. In line with this approach, and as approved by CMT and the Audit and Standards Advisory Committee in March 2025, the plan is structured around the following key areas:
  - a) **Core Assurance Plan** – this element outlines the work scheduled for the year to provide assurance over the Council's core systems and controls. It forms part of a broader three-year cyclical programme of core assurance activity, with 2025–26 representing the second year of the cycle.
  - b) **Agile, Risk-based Plan** – this section identifies potential audit areas informed by a range of sources, including rolling risk assessments, assurance mapping, and consultation with senior management. Designed to be flexible, it enables Internal Audit to respond to emerging risks, issues, and shifting priorities. As such, it is not a fixed list; the Head of Internal Audit regularly reviews, updates, and re-prioritises the plan as needed.

- c) **Follow-up Activity** – this component focuses on tracking and reviewing the implementation of agreed actions arising from previous audits. The aim is to ensure that improvements to governance, risk management, and internal control arrangements are effectively delivered and sustained.

### **3.3 Delivery of the 2025-26 Internal Audit Plan**

3.3.1 The Internal Audit Interim Report for 2025-26 is attached at Appendix 1.

3.3.2 The Internal Audit team has made good progress towards delivery of its plan and programme of work for 2025-26. Key highlights include:

- Completion of five core assurance reviews.
- Thirteen core assurance reviews currently underway, comprising:
  - 7 at the fieldwork stage
  - 6 at the planning stage
- Completion of four risk-focused reviews
- Eight additional risk-focused reviews in progress:
  - 4 at the fieldwork stage
  - 4 at the planning stage
- Completion of two follow-up reviews, with a further thirteen actively being tracked through to implementation

3.3.3 The Internal Audit team has made strong progress in delivering the Core Assurance Plan, with fieldwork for several audits scheduled to conclude during the remainder of Quarter 3 and into Quarter 4. It is anticipated that at least 90% of the plan will reach draft report stage by 31 March 2026. This level of completion will enable the Head of Internal Audit to provide a well-informed, evidence-based opinion on the effectiveness of the Council's governance, risk management, and internal control framework.

3.3.4 The Agile Risk-Based Plan outlines potential high-risk and high-assurance audit areas that will be prioritised for delivery over the remainder of the year. This list is intentionally fluid and subject to change, allowing Internal Audit to remain responsive to emerging risks and shifting organisational priorities. It is important to note that this is not a fixed schedule of audits; the volume of work identified exceeds the resources currently available. Instead, the plan serves to provide transparency and assurance around how Internal Audit activity is identified, prioritised, and directed throughout the year.

3.3.5 In addition to its assurance work, Internal Audit continues to provide consultancy and advisory support where required or requested. So far this year, this has included a range of advisory activities, such as participation on various boards and working groups, contributing to discussions and decisions that support effective governance and risk management across the Council.

### **3.4 Follow-ups**

- 3.4.1 Progress on follow-up activity is detailed in Appendix 1. However, due to the timing of follow-ups and the scheduling of target dates for recommendations, the majority of follow-up work will be undertaken in Q3 and Q4. While progress and engagement continue to improve, CMT is advised to await the annual report before drawing conclusions from current follow-up outcomes.
- 3.4.2 Where actions are found to be partially implemented or not implemented at the time of follow-up, revised target dates are agreed with management. These outstanding actions are then monitored through departmental action trackers, which are reported periodically to Departmental Management Teams. It remains the responsibility of management and the designated action owner to notify Internal Audit once an action has been implemented and to provide appropriate evidence to substantiate completion.
- 3.4.3 Where actions are not implemented within their revised target dates, or where there is persistent lack of engagement in the follow-up process, these actions are flagged as 'overdue' and escalated to CMT for further attention.

#### **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 Public Sector Internal Audit Standards 2017, also require proper planning of audit work.

#### **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