



Internal Audit Strategy 2024-2027

Year 2 Review

March 2026

A. Introduction

In accordance with the Global Internal Audit Standards the Chief Audit Executive (Head of Internal Audit) must develop and implement a strategy for the internal audit function that:

- a) includes a vision, strategic objectives and supporting initiatives for the internal audit function;
- b) supports the strategic objectives and success of the organisation;
- c) aligns with the expectations of the 'Board', senior management and other key stakeholders; and
- d) is reviewed periodically.

The **Internal Audit Strategy 2024-2027**, agreed by Council Management Team (CMT) and the Audit and Standards Advisory Committee in March 2024 (see [here](#)), set out the four strategic objectives and priorities shown below. These are underpinned by a **vision** to “become an established trusted advisor and strategic partner to senior management, providing independent and objective assurance, insight and challenge that contributes to informed decision-making, improved governance, and enhanced organisational performance”.

1. To adopt a more agile and enhanced risk-based approach to planning and delivery.

We will implement and embed an enhanced risk-based approach to audit planning and delivery that identifies and prioritises key risks that the Council faces and ensures audit resources are allocated efficiently and effectively to areas with the highest assurance need. To aid this approach, we will also make better use of data, information and technology to drive and inform the work of internal audit.

2. To provide an ongoing and robust programme of core assurance.

In developing an enhanced risk-based approach, we are also conscious of striking the right balance between being responsive to the changing needs and risks of the Council, whilst also continuing to provide a continuous cycle of assurance over the Council's core systems and processes. We will therefore develop a comprehensive programme of assurance over core and key areas to provide a balanced perspective and to prevent our work from being solely focussed on short-term issues. This will involve conducting regular audits of critical process, systems and controls on a cyclical basis.

3. To offer and provide high-quality insight, foresight and advice.

We will seek to maximise our value-added by undertaking work beyond traditional assurance activities, such as advisory reviews, control/process optimisation exercises, identifying and reporting on emerging trends, risks and issues, and aiding the Council's change programme through carefully considered risk versus control advice.

4. To lead and coordinate the implementation of an integrated assurance framework.

We will take the lead in developing an integrated assurance framework/model, including the championing, mapping and coordinating of other sources of assurance from across the Council to enable a more joined-up, informative approach to reporting and to ensure any gaps or overlaps are managed.

This document sets out progress towards these objectives, and supporting initiatives, at the end of Year 2.

B. Background

The Head of Internal Audit is responsible for leading and managing the Council's Internal Audit function in accordance with the Internal Audit Charter and relevant professional internal audit standards. This responsibility includes developing and implementing a strategy for internal audit that supports the strategic objectives and priorities of the Council and aligns with the expectations of the CMT, senior management, the Audit and Standards Advisory Committee and other key stakeholders.

Role of Internal Audit

Our principle role is to contribute to the overall success of the Council by bringing a systemic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes throughout the Council. This is primarily achieved through providing independent, risk-based and objective assurance and advisory services. We also play a key role in enhancing the Council's ability to serve its residents and the public interest by providing assurance on matters such as operational efficiency, reliability of reporting, compliance with laws and regulations, safeguarding of assets, and ethical culture.

Core Values and Principles

We are committed to providing a *high quality, professional and customer-focussed* service that ensures the function remains a trusted source of assurance, advice, insight and foresight across the Council. The core values and principles shown in the diagram (right) underpin the delivery of all aspects of internal audit work:

Objectives of the Strategy

The Internal Audit Strategy has been prepared to cover the period 1 April 2024 to 31 March 2027 and sets out the operating model for delivering an effective Internal Audit function that:

1. Provides assurance to CMT, senior management, the Audit and Standards Advisory Committee and other key stakeholders that the Council has effective arrangements in place to deliver its strategic objectives and manage key risks;
2. Meets the statutory responsibility to arrange for the continuous, independent internal audit of the Council;
3. Meets the requirements of professional internal audit standards for the Head of Internal Audit to deliver an annual opinion on the Council's arrangements for governance, risk management and control; and
4. Maximises the use and deployment of resources.



C. Review of Strategic Objectives – Year 2

The following table provides an assessment against each of the four objectives as at the end of Year 2.

Objective 1: To adopt a more agile and enhanced risk-based approach to planning and delivery.			
Rationale	What we agreed to do	Year 2 Assessment	What we have done so far
<p>We have historically prepared an annual risk-based audit plan that set out a list of prescribed audit work across a 12-month period. Whilst these plans were never inflexible, they generally remained unchanged throughout the course of the year and our success and performance was largely judged upon how much of this plan we completed. Due to the environment in which the Council is now operating in, this approach no longer feels fit for purpose and we must therefore change and adapt accordingly.</p> <p>To this end, we will implement and embed an enhanced risk-based approach to audit planning and delivery that identifies and prioritises the key risks that the Council is facing and ensures audit resources are allocated efficiently and effectively to areas with the greatest assurance need. This move is in-keeping with the new Global Internal Audit Standards that will come into force in 2025, which require the Head of Internal Audit to frequently review and update the internal audit plan as necessary. Clearly, a key part in implementing this new approach will be making the better use of data, information and technology.</p>	<ul style="list-style-type: none"> • Implement a more agile, fluid and risk-based approach to audit planning and delivery. • Review, revise and update our programme of work at regular intervals throughout the year to respond to changing risks and priorities. • Make better use of data, information and technology to develop a rolling risk assessment. 	<p>On Track</p>	<p>The agile, risk-based planning model continues to work effectively and has enabled the function to remain responsive to emerging risks and issues, while still maintaining a cyclical approach to 'core assurance'. This balance between thematic/emerging risks and inherently high-risk core areas remains a strength of the model and continues to receive positive feedback from External Audit.</p> <p>The risk-based plan has been reviewed, updated and re-prioritised at regular intervals throughout the year. Although this still requires professional judgement from the Head of Internal Audit and the Audit Manager, the process is now supported by enhanced use of data, information and technology.</p> <p>In particular, Co-pilot has been introduced to support the rolling risk assessment by:</p> <ul style="list-style-type: none"> • analysing information from previous audit coverage and assurance outcomes; • assessing inherent risk indicators and identifying areas of elevated exposure; • horizon-scanning for sector-wide changes, including legislative, regulatory and policy developments; and

			<ul style="list-style-type: none"> supporting the synthesis of multiple data sources into more consistent and evidence-based risk insights. <p>The Internal Audit function is continuing to explore further digital and AI-enabled solutions to automate elements of risk monitoring and enable more seamless, real-time integration of relevant risk intelligence into the planning process.</p>
--	--	--	--

**Objective 2:
To provide an ongoing and robust programme of core assurance.**

Rationale	What we agreed to do	Year 2 Assessment	What we have done so far
<p>In view of the 1st objective above, we are also conscious of striking the correct balance between being responsive to the changing needs and risks of the Council, whilst continuing to provide a robust programme of assurance over the Council's core systems and processes.</p> <p>We will therefore develop and deliver a comprehensive programme of assurance over the Council's core and key controls that ensures that, irrespective of changing priorities and risks, we continue to deliver timely assurance over the fundamental elements of the Council's governance, risk management and internal control framework.</p> <p>Whilst this will mean we continue to focus on more 'traditional' audit areas, we feel this is necessary to ensure that the Council continues to 'do the basics right'. This work also remains a crucial source of assurance to the S151 Officer, the Head of Internal Audit's annual opinion, and the Audit and Standards</p>	<ul style="list-style-type: none"> Identify the core systems and processes that will be scheduled for coverage on a periodic and cyclical basis, rather than a pure risk basis, with all scheduled to be covered at least once during the duration of this strategy. Ensure that outcomes, including follow-up outcomes, are reported and communicated to all stakeholders in a clear and joined-up way. 	<p>On Track</p>	<p>We have identified the Council's core/key systems and controls (c25 separate areas) and prepared a three-year cyclical plan, where each area will be reviewed on a periodic basis, as opposed to pure risk basis. The following core assurance reviews have been /are being undertaken in 2025-26:</p> <ol style="list-style-type: none"> 1. Recruitment (Vetting, Starters) 2. Health and Safety (Compliance) 3. IT STS Procurement 4. Treasury Management 5. VAT 6. Assets and Valuations 7. Capital Expenditure 8. Income and Debt Management 9. Council Tax & Business Rates 10. Budgetary Control 11. Cyber Assurance Mapping 12. STS Asset Management

<p>Committee's review and approval of the Annual Governance Statement.</p>			<p>13. IT Application (Oracle)</p> <p>In addition, a programme of follow-up work has been undertaken across several core and key financial system areas. This has included follow-up activity relating to General Ledger, Treasury Management, Insurance, VAT, STS Procurement, STS Project Management, IT Application (Mosaic), Recruitment (Vetting), True Compliance, Health and Safety Compliance, Procurement, and Performance Management. These follow-ups have supported continued oversight of the Council's core financial, ICT and inherent risk areas, helping to confirm the extent to which previously agreed improvements have now been embedded. Separating the internal audit plan into core assurance and agile/risk based sections has helped to ensure that we continue to strike the right balance between being responsive to changing needs and risks of the Council, while (as evidenced above) continuing to provide a robust programme of assurance over the Council's core systems and processes.</p> <p><u>Follow-up Outcomes</u></p> <p>We have continued to make enhancements to the reporting of follow-ups, with a particular focus on overdue actions. The implementation rate of audit actions within original target dates has improved compared to the prior year and performance for high-risk actions has also strengthened. While this represents a positive year-on-year improvement, further effort across the Council remains necessary to ensure timely and consistent implementation of agreed actions, particularly those assessed as higher risk.</p> <p>Progress in relation to implementation of audit actions is reported routinely to DLT/DMTs, CMT and the Brent Assurance Board, and periodically to the Audit and Standards Advisory Committee. Presentations have also been made at Senior Leadership Team and</p>
--	--	--	--

			<p>Senior Managers Group meetings, with endorsement from the Chief Executive, to improve the rate of implementation. A clear directive has been set by the Chief Executive for Directors to attend CMT and Audit and Standards Advisory Committee where there is persistent non-implementation.</p> <p>During 2025–26 we have also sought to streamline and modernise our follow-up process. The team has introduced automated reminders for action owners using SharePoint and Microsoft Lists, ensuring services are notified in advance of target dates and reducing the administrative burden previously required from Internal Audit. While this automation has improved visibility and timeliness, Internal Audit continues to provide essential coordination, quality checks and formal sign-off to ensure that evidence of implementation is robust, complete and aligned with expectations. This forms part of our wider effort to improve the efficiency of the follow-up process and to support a stronger culture of timely action completion across the Council.</p> <p>In summary, while the rate of implementation continues to require improvement across the Council, clear progress has been made in the highlighting and reporting of actions.</p>
--	--	--	---

Objective 3:

To offer and provide high-quality insight, foresight and advice

Rationale	What we agreed to do	Year 2 Assessment	What we have done so far
<p>An important part of our role has always been the provision of consultancy and advisory work; however, this has often been seen as a secondary role and an 'add-on' to our traditional assurance related work. It is our view that our consultancy and advisory offer is as equally important as our assurance work, particularly in the unstable and fast-changing environment that we currently operate within – and in our ambition to become an established and trusted advisor. We will therefore seek to maximise our value-added by undertaking additional work beyond traditional assurance activities, such as advisory reviews, control/process optimisation exercises, identifying and reporting on emerging trends, risks and issues, and aiding and supporting the Council's change programme through carefully considered risk versus control evaluations.</p> <p>In undertaking this advisory and consultancy work, it will also help us to remain at the forefront of the Council's strategic direction and the issues it is facing – which in-turn, will benefit our agile and risk-based planning.</p>	<ul style="list-style-type: none">• Be more proactive and engaging to promote our consultancy and advisory services.• Ensure our involvement in significant and key transformation and key change initiatives.• Improve reporting of consultancy/advisory work to the Audit and Standards Advisory Committee (in advance where possible).• Utilise our relationships with other Councils and external partners to provide increased opportunity for benchmarking and cross-council learning.	<p>On Track</p>	<p>During 2025/26, Internal Audit has continued to strengthen and broaden its consultancy, insight and advisory contribution, reflecting our ambition to act as a trusted advisor and strategic partner across the Council.</p> <p>Internal Audit maintains a strong, visible and proactive profile. The Deputy Director for Organisational Assurance and Resilience (Head of Internal Audit) continues to sit on the Budget Assurance Panel and the Senior Responsible Officer Delivery Board for the Council's Embrace Change Programme, enabling real-time advice, challenge and support across several major transformation initiatives. In addition, the Head of Internal Audit now represents the function on the Housing & Tenant Satisfaction Improvement Programme (HTSIP) Board, ensuring early visibility of key issues arising from the new social housing regulatory requirements and supporting improvements in housing compliance, assurance and resident experience.</p> <p>Requests from senior management for consultancy and advisory input remains high. The team regularly provides targeted advice on emerging issues, control design, risk mitigation and process optimisation. To support more consistent documentation and reporting of this advisory activity, the Internal Audit Advice Note template is now embedded and used both reactively (in response to management requests) and proactively where Internal Audit identifies opportunities for early intervention.</p> <p>To supplement in-house capability, the function continues to utilise its co-sourced partner to secure access to specialist insight, particularly in relation to</p>

		<p>complex or sector-specific challenges. In 2025/26 this has included areas such as housing regulatory readiness, financial sustainability, cyber resilience and ICT governance.</p> <p>Internal Audit has also strengthened its engagement with peers across the local government sector. The function is now an active member of both the Local Authority Chief Auditors Network (LACAN) and the London Audit Group (LAG), providing significant opportunities for shared learning, benchmarking and emerging-risk intelligence. Participation in the LACAN End-of-Year Benchmarking exercise has enhanced our comparative insight into audit coverage, resourcing, productivity and thematic areas of concern across the sector, and these findings will help shape Brent's priorities for 2026/27.</p> <p>Looking ahead, Internal Audit will continue to maximise collaboration with peers within both networks, identifying opportunities for cross-council work, joint approaches and shared assurance where appropriate.</p>
--	--	--

Objective 4:

To lead and coordinate the implementation of an integrated assurance framework.

Rationale	What we agreed to do	Year 2 Assessment	What we have done so far
<p>In view of the increasing number of risks faced by the Council, it is more important than ever that timely, reliable and robust assurance is provided and received over how the Council is performing, delivering on its duties, and fulfilling its commitments made to residents. However, as acknowledged in the sections above, for a number of reasons including resourcing</p>	<ul style="list-style-type: none"> • We will take the lead in developing an integrated assurance framework/model, including the mapping and coordinating of other sources of assurance from across the Council to ensure any gaps or overlaps are managed. • Develop a more joined-up, informative approach to reporting 	<p>Off Track, but recoverable</p>	<p>Progress against this objective has been slower than originally anticipated; however, meaningful steps have now been taken to lay the foundations of a more coordinated and integrated assurance framework.</p> <p>Internal Audit has continued to align its work closely with the Council's strategic objectives and risk profile, including facilitating updates to both the Strategic Risk Register and</p>

constraints, it is not possible for internal audit to provide assurance across all areas of risk.

Whilst Internal Audit is unique in that it provides independent and objective assurance – it is not the only source of assurance within the Council. There is also a wide range of additional assurance available that is provided as a matter of course across the Council, both operationally but also functionally to senior management, Boards and Committees. We will therefore leverage our unique position within the Council to champion and coordinate the development of a coordinated and integrated assurance framework that makes the link between the Council's objectives, risks and assurance outcomes.

assurance to senior management and the Audit and Standards Advisory Committee.

- Work more closely with other assurance providers to share resources, information and intelligence.

Directorate Risk Registers, ensuring these remain current and are embedded within audit planning. This has enhanced the connection between strategic risk and assurance coverage.

A significant area of progress has been in relation to Housing Fire Risk Assessments (FRAs). Between 2024 and 2026, Internal Audit undertook a series of reviews across multiple lines of defence; including FRA compliance, the True Compliance system, follow-up verification work, and a review of the external Caldiston Safety Consultants' programme, culminating in the February 2026 Management Letter. This work has brought together operational teams, contractors, external specialists and governance functions to form a more connected assurance picture across one of the Council's highest-risk areas. Internal Audit also reviewed the draft Five-Year Assurance Programme for Housing Compliance, providing professional observations to strengthen clarity, completeness and the avoidance of overlap.

More broadly, Internal Audit continues to coordinate with other assurance providers to avoid duplication and ensure issues are escalated appropriately. Although progress in establishing a Council-wide framework has been limited due to capacity constraints in 2025–26, this groundwork has strengthened collaboration with services such as Housing, IT, Health & Safety and external contractors, and has highlighted the practical value of a more joined-up assurance model.

Building on this foundation, the Corporate Management Team has now endorsed the introduction of an Integrated Assurance

		<p>Model, which will be piloted during 2026–27. Under this approach, the Organisational Assurance and Resilience department will coordinate assurance activity across Internal Audit, Counter Fraud & Investigations, Health & Safety, Emergency Planning & Resilience and Insurance, enabling a more coherent and organisation-wide view of risks, controls and governance.</p> <p>While a fully developed integrated assurance framework has not yet been delivered, the progress made in 2025/26; particularly through the FRA assurance work and the movement toward piloting the Integrated Assurance Model; provides a clear and recoverable pathway for achieving this objective within the timeframe of the strategy.</p>
--	--	---

D. Continued Delivery of the Strategy

Annual Planning

A key vehicle for delivering upon all of the objectives will continue to be the development and implementation of an annual plan and programme of work in consultation with CMT and the Audit and Standards Advisory Committee. Following the success of 2024-25 and 2025-26, we will continue to adopt a more flexible approach to planning and delivery to ensure our work is responsive to changing risks and challenges, while also retaining the necessary core assurance work. To that end, our work will continue to be presented in the following form:

- 1) **Core assurance work** - the core/key systems and processes that will be subject to an internal audit review in each respective financial year, including proposed timescales and an indicative scope.
- 2) **Risk-based assurance work** – this work will continue to be a significant element of how we deliver the strategy and provide the flexibility and responsiveness that the Council requires to ensure audit coverage keeps pace with the changing needs and risks of the organisation. This part of the plan will be determined via several methods, including a rolling risk assessment, assurance mapping against strategic and key inherent risks, horizon-scanning to identify new/emerging areas of risk, and ongoing consultation with senior management. Under this part of the plan, at the beginning of each financial year we will continue to produce a list of anticipated and potential audit areas, alongside a supporting scope and/or rationale for inclusion. However, the plan will be reviewed, updated and re-prioritised as appropriate by the Head of Internal Audit.
- 3) **Advisory and consultancy work** – this work is often reactive to requests from senior management, and therefore we will retain a portion of time each year to accommodate these (circa 15%).
- 4) **Follow-up Activities** – we will continue with our established follow-up process, tracking actions through to confirmed implementation, to provide confirmation that improvements in the Council’s governance, risk management and control have been embedded.

Ensuring Quality and Value for Money

Operationally, we continue to operate within defined quality standards for the planning, execution and reporting of all internal audit work. Our reports and outputs continue to be balanced, clear, concise, and constructive, and provide an independent and objective assessment and opinion on the effectiveness and efficiency of controls. We also continue make recommendations, where necessary, to highlight areas for improvement and to provide insight and share best practice.

We also continue to provide regular reports to senior management, Brent Assurance Board, CMT and the Audit and Standards Advisory Committee to provide assurance over how well Council risks are being managed, and the adequacy, effectiveness and efficiency of the Council’s governance and internal control framework. The Head of Internal Audit will also continue to provide a statutory Annual Internal Audit Opinion to those charged with governance, timed to support the approval of the Council’s Annual Governance Statement.

The successful delivery of this strategy relies on the effective deployment of the collective skills, abilities and resources of the Internal Audit function. To this end, we continue to operate a co-sourced model whereby the in-house team is complemented using an external contractor (PwC). This delivery model provides a number of benefits, including an in-depth understanding of Brent specific issues via the in-house team; increased flexibility, capacity and operational resilience; and access to specialist assurance and advisory services.

Risks and Opportunities

To support the development of the strategy and to assist with identifying further opportunities for improvement, a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis was completed.

In addition, we continue to identify, assess and manage risks that may threaten the achievement of our objectives via our service-level risk register.

Measuring Success

The continuous monitoring and evaluation of our work remains essential to ensure that we remain aligned with the Council's strategic objectives, deliver value to stakeholders, and operate with optimal levels of efficiency and effectiveness. We continue to operate the following Key Performance Indicators to measure performance, which are reported bi-annually to CMT and the Audit and Standards Advisory Committee.

Strengths <ul style="list-style-type: none"> → Skilled and experienced team. → Robust processes and ways of working. → Positive EQA assessment. → Well positioned within the organisation. → Good profile and reputation. → Access to specialisms. 	Weaknesses <ul style="list-style-type: none"> → Recruitment and retention of staff. → Limited resources / capacity. → Timeliness and promptness of reporting. → Limited use of data/technology.
SWOT Analysis	
Opportunities <ul style="list-style-type: none"> → To capitalise on emerging technology. → Increasing demand and scope for Internal Audit. → To make key contributions to the change programme. → New Global Internal Audit Standards. 	Threats <ul style="list-style-type: none"> → Demand exceeds supply. → Over-reliance on Internal Audit. → Competing/ conflicting demands and priorities. → Significant governance /control/ fraud issue.

Planning & Coverage <ul style="list-style-type: none"> ✓ % of Core Assurance Plan completed across the 3-year cycle (target 100%) ✓ % of strategic risks/ key inherent risks covered across 3-year cycle (target 100%) Delivery <ul style="list-style-type: none"> ✓ Timeliness in raising issues with Management - end of fieldwork to draft report <10 working days. ✓ % of acceptance to audit recommendations (target 100%) ✓ Number of requests for consultancy/advisory services 	Follow-up <ul style="list-style-type: none"> ✓ % of Critical and High-risk actions followed-up within 1 month of due date (target 100%) ✓ % of audit actions implemented within original timescales (target 75%) Quality <ul style="list-style-type: none"> ✓ % of audit satisfaction surveys rated as 'good or better' (target 100%) ✓ Conformance to the Public Sector Internal Audit Standards
--	---

The critical success factor to any Internal Audit function is in how it adds value to an organisation. To this end, the table to the right lists the key/high risk audits performed by Internal Audit over the past three financial years. In summary:

- **112** audits have been completed.

- **32** audits of **key financial systems** and/or areas of key **financial management** have been undertaken.
- **16** audits relating to **cyber** and **ICT** risk have been undertaken
- **18** audits relating to **housing** risks have been undertaken

In addition to the KPIs listed above, we also continue to seek to measure our performance by obtaining regular and formal feedback from Senior Management (including the Chief Executive and S151 Officer) and the Audit and Standards Advisory Committee; and highlighting areas and occasions where the work of internal audit has led to significant improvements (i.e. through improved processes and controls); and highlight areas and occasions where the work of internal audit has led to significant savings or income generation.

E. Summary and Next Steps

In summary, good progress has been made in Year 2 towards achieving the objectives and priorities set out within the strategy. While limited progress has been made towards developing and implementing an integrated assurance framework for the Council, it is anticipated that this work will accelerate in 2026-27.

No amendments or revisions are necessary to the objectives or priorities set out within the strategy and these continue to be relevant and fit for purpose to lead and drive continuous improvement.

Progress towards achieving and delivering upon the strategy will continue to be reported annually to CMT and the Audit and Standards Advisory Committee.