	Audit & Standards Advisory Committee 30 November 2026
	Report from the Corporate Director of Finance and Resources
	Lead Member - Deputy Leader and Cabinet Member for Finance &Resources (Councillor Gwen Grahl)

Internal Audit Interim Report – 2026–27

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	One Appendix 1: Internal Audit Interim Report 2026–27
Background Papers:	None
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1.0 Executive Summary

1.1 This report provides an interim update on delivery of the 2026–27 Internal Audit programme and the assurance arising from work completed or substantially progressed during the year.

1.2 The report supports the Audit and Standards Advisory Committee in its oversight of the Council's governance, risk management and internal control arrangements. It summarises audit delivery, significant findings and management's progress in implementing agreed improvements. The detailed position is set out in Appendix 1.

2.0 Recommendations

2.1 The Committee is asked to note the report and the detailed position set out in Appendix 1.

3.0 Detail

3.1 Contribution to the Council Plan, *Believe in Brent 2026 – 2030* & Strategic Context

3.1.1 Internal Audit enhances and protects organisational value by providing risk-based and objective assurance, advice and insight. It helps the Council accomplish its objectives through a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and internal control.

3.1.2 Assurance activity assesses whether systems and processes are appropriately designed and operating effectively to mitigate risk. Advisory activity supports improvements to those arrangements where required.

3.1.3 The Council's response to Internal Audit findings should strengthen governance and the control environment, supporting delivery of the Council Plan priorities and wider strategic objectives.

3.2 Background

3.2.1 The Council's Internal Audit function is delivered in accordance with the Global Internal Audit Standards in the UK Public Sector and the applicable requirements for local government. It provides independent, risk-based assurance, advice and insight over governance, risk management and control arrangements.

3.2.2 The 2026–27 Internal Audit Plan continues the flexible and risk-based approach adopted in recent years, combining the following elements:

a) **Core Assurance Plan** – scheduled work over the Council's core systems and controls, forming part of a three-year cyclical programme. The 2026–27 programme represents the third year of the cycle.

b) **Agile, Risk-based Plan** – potential audit areas identified through rolling risk assessments, assurance mapping and consultation with senior management. This is not a fixed list: the Head of Internal Audit reviews and reprioritises activity to respond to emerging risks, issues and organisational priorities.

c) **Follow-up Activity** – monitoring and verification of the implementation of agreed audit actions, to assess whether improvements to governance, risk management and internal control have been effectively delivered and sustained.

3.3 Delivery of the 2026–27 Internal Audit Plan

3.3.1 The Internal Audit Interim Report for 2026–27 is attached at Appendix 1 and sets out the detailed position on delivery, assurance findings and performance.

3.3.2 Delivery is progressing across the Core Assurance and Risk-Focused programmes, with six grant and certification assignments completed and further reviews at reporting, fieldwork and planning stages. Appendix 1 summarises the assurance arising from this work and highlights areas requiring management attention. Draft opinions and findings remain subject to finalisation.

3.3.3 The Agile, Risk-based Plan remains deliberately flexible, allowing Internal Audit to respond to emerging risks and changing organisational priorities. Potential Quarter 4 reviews are set out in Appendix 1, section 2c, and are priorities for consideration rather than a fixed programme. CMT input and the Committee's observations on emerging risks and assurance gaps will inform the remaining programme.

3.3.4 In addition to planned assurance work, Internal Audit continues to provide advisory support and undertake follow-up activity. These activities are balanced with emerging priorities to maximise the assurance obtained from available resources.

3.4 Follow-ups

3.4.1 Progress on follow-up activity is detailed in Appendix 1. Four full follow-up reviews show varying levels of implementation, with significant outstanding actions requiring continued management attention. Appendix 1 also sets out the outstanding High-risk action position assessed at 2 November 2026. The original assurance opinions have not been re-rated.

3.4.2 Management and designated action owners remain responsible for implementing agreed improvements, establishing appropriate recovery arrangements where actions remain outstanding, and providing evidence of completion. Internal Audit will continue to monitor and verify implementation to assess whether the identified weaknesses and residual risks have been addressed.

3.4.3 Where significant actions remain overdue or sufficient evidence of implementation is unavailable, matters will be escalated through the appropriate management and governance arrangements. Committee oversight will support scrutiny of the outstanding risks and management's progress in addressing them.

4.0 Stakeholder and ward member consultation and engagement

4.1 None.

5.0 Financial Considerations

5.1 There are no direct financial implications arising from noting this report. Any resource or financial implications associated with implementing individual audit actions will need to be considered by the relevant service through its existing budget and approval arrangements.

6.0 Legal Considerations

6.1 Regulation 5 of the Accounts and Audit Regulations 2015 requires the Council to 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 or guidance. Internal Audit operates in accordance with the Global Internal Audit Standards in the UK Public Sector, together with CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government, applicable from 1 April 2025.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 There are no direct EDI implications arising from noting this report. Any equality implications arising from individual audit actions remain the responsibility of the relevant service to consider as part of implementation.

8.0 Climate Change and Environmental Considerations

8.1 There are no direct climate change or environmental implications arising from noting this report.

9.0 Communication Considerations

9.1 None.

Report sign off:

Minesh Patel
Corporate Director, Finance and Resources