



**REPORT of
DIRECTOR OF FINANCE**

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
4 JUNE 2026**

INTERNAL AUDIT REPORT

1. PURPOSE OF THE REPORTS

- 1.1 This report presents the Internal Audit (BDO) internal audit plan for the current year; the internal audit strategy for the period 2026-28; and the Quality Assurance Improvement Plan (at Agenda Item 9a). These documents set out the proposed approach by BDO to delivery of internal audit work at the Council in this year and next.

2. RECOMMENDATION

That Members consider Internal Audit (BDO) internal audit plan for the current year; the internal audit strategy for the period 2026-28; and the Quality Assurance Improvement Plan (at 9a) and make comments on them.

3. SUMMARY OF KEY ISSUES

- 3.1 The Internal Audit Plan is developed by the internal audit function, regardless of whether that is an in-house function or outsourced (as at MDC). The internal auditor will review the identified risks faced by the council and the internal audit plan responds to those risks. Input is also taken from Chief Officers, and the wider local government environment is also considered.
- 3.2 The proposals included in these papers take those inputs and bring them together as a coherent audit plan. This is done independently of politicians and officers as part of the independent perspective the auditor is required to hold.

4. CONCLUSION

- 4.1 The Committee is invited to consider and comment on the proposals set out by the Internal Auditor.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Delivering good quality services

- 5.1.1 A key objective of the Council's Corporate Plan is to continue to have good governance arrangements in place. The internal audit function provides key assurance to councillors that the appropriate internal controls are in place to ensure

that services provide value for money and are appropriately managed within legislative requirements.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk (including Fraud implications)** – Internal audit reviews help ensure that risks are properly addressed through internal controls.
- (iv) **Impact on Resources (financial)** – The cost of the internal audit contract with BDO is covered within the council's budget.
- (v) **Impact on Resources (human)** – The impact on staff time is included within staff duties. Audit recommendations help ensure that staff time is appropriately directed.
- (vi) **Impact on Devolution / Local Government Reorganisation (LGR)** – No impact on devolution preparation.

Background papers: None.

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