

## **INTERNAL AUDIT PROGRESS REPORT 2025/26**

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| Relevant Portfolio Holder  | Councillor S. J. Baxter  |
| Portfolio Holder Consulted   | Yes  |
| Relevant Head of Service   | Bob Watson, S151 Officer   |
| Report Author  | Job Title: Head of Internal Audit Shared Service<br>Worcestershire Internal Audit Shared Service<br>Contact email: <a href="mailto:chris.green@worcester.gov.uk">chris.green@worcester.gov.uk</a><br>Contact Tel: 07542 667712 |
| Wards Affected   | All Wards  |
| Ward Councillor(s) consulted   | No   |
| Relevant Strategic Purpose(s)  | Good Governance & Risk Management underpins all the Strategic Purposes.  |
| Non-Key Decision   |  |
| If you have any questions about this report, please contact the report author in advance of the meeting. |  |

### **1. RECOMMENDATION**

- 1.1 **The Audit, Standards and Governance Committee notes the report.**

### **2. BACKGROUND**

- 2.1 The purpose of this report is to provide an update of Internal Audit's progress towards meeting its objectives in the audit plan for 2025/26 as approved by the Audit Standards and Governance Committee on 14<sup>th</sup> July 2025.
- 2.2 The Council has a legal duty to maintain an adequate and effective Internal Audit service. The primary role of Internal Audit is to provide independent assurance that the Council has put in place appropriately designed internal controls to ensure that:
- The Council's assets and interests are safeguarded;
  - Reliable records are maintained;
  - Council policies, procedures and directives are adhered to; and
  - Services are delivered in an efficient, effective and economic manner

- 2.3 The Internal Audit plan for 2025/26 was approved by the Audit, Standards and Governance Committee on 14th July 2025. Progress against delivery of that plan is set out at Appendix 1. The plan is slightly behind schedule owing to its approval being later than usual this year. However, there are sufficient resources in place to deliver the rest of the plan in time for the annual Internal Audit opinion.
- 2.4 The Global Internal Audit Standards require that any significant changes to the internal audit plan must be approved by the Audit Committee. It is also good practice to continually review the audit plan in light of emerging issues, to ensure that the work of internal audit adds maximum value by proactively responding to and aligning its work with the most significant risks facing the organisation. There are no proposed amendments to the internal audit plan at this time.

### **3. Financial Implications**

- 3.1 There are no direct financial implications arising out of this report.

### **4. Legal Implications**

- 4.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2024 to “maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control”.

To aid compliance with the regulation, the Global Internal Audit Standards details that “Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes”.

## **5. STRATEGIC PURPOSES - IMPLICATIONS**

### **Relevant Strategic Purpose**

- 5.1 Good governance along with risk management underpin all the Corporate strategic purposes. This report provides an independent assurance over certain aspects of the Council's operations.

### **Climate Change Implications**

- 5.2 There are no climate change implications arising from this report.

**6. OTHER IMPLICATIONS**

**Equalities and Diversity Implications**

6.1 There are no implications arising out of this report.

**Operational Implications**

6.2 There are no new operational implications arising from this report.

**7. RISK MANAGEMENT**

The main risks associated with the details included in this report are to:

- Insufficiently complete the planned programme of audit work within the financial year leading to an inability to produce an annual opinion; and,
- Continuous provision of an internal audit service is not maintained.

**8. APPENDICES and BACKGROUND PAPERS**

Appendix 1 ~ Internal Audit Progress Report