TITLE: Internal Audit Annual Report and Opinion 2025/26

Committee: Audit Committee

Date: 14th July 2026

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Report number: AB42

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Issue

1. The report at Appendix 1 provides the Chief Internal Auditor's annual assurance opinion on the Council's governance, risk and control framework for 2025/26 and the basis for this opinion.

Recommendations

2. That the Committee considers and notes the Annual Internal Audit Report and Opinion for 2025/26.

Background/Options

3. The role of Internal Audit is to provide the Audit Committee, and management, with independent assurance on the effectiveness of the internal control environment. Internal audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the Council's ability to achieve its objectives.

4. The CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government requires the Chief Audit Executive (Chief Internal Auditor) to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control (i.e. the organisation's system of internal control). This is achieved through the delivery of an annual risk-based plan of work, which should provide a reasonable level of assurance. The report should also reflect on the internal audit team's performance against its own objectives.

5. The Chief Internal Auditor's opinion is that 'Good Assurance' can be given over the Council's governance, risk and control framework for 2025/26. This assurance cannot be absolute, but should form a key source of assurance for the Council's Annual Governance Statement.

Arguments/Conclusions

6. The attached report (Appendix 1) provides the Committee with the Annual Internal Audit Report and Opinion for 2025/26.

Additional Implications Assessment

7. In the table below, please put Yes or No in each box:

Financial Implications	Legal Implications	Human Resources (HR) Implications
No	No	No
Equality Impact Assessment (EIA)	**Carbon Impact Assessment (CIA)**	**Data Protection Impact Assessment (DPIA)**
No	No	No

Appendices

Appendix 1: Annual Internal Audit Report 2025/26
Appendix 2: Update on external quality assessment actions

Background documents

None

Appendix 1

EAST CAMBRIDGESHIRE
DISTRICT COUNCIL

Annual Internal Audit Report and Opinion

2025/26

This report has been prepared solely for the use of councillors and management of East Cambridgeshire District Council. Details may be made available by internal audit to specified external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared and is not intended for any other purpose.

1. Introduction and context

1.1 The CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government supports the Global Internal Audit Standards (GIAS) of the Institute for Internal Auditors and the Application Note: Global Internal Audit Standards in the UK Public Sector. This states that "The audit committee must review the chief audit executive's annual report, including the annual conclusion on governance, risk management and control, and internal audit's performance against its objectives".

1.2 This report represents the annual internal audit opinion and report for East Cambridgeshire District Council for the financial year 2025/26, in compliance with GIAS, the Application Note for GIAS in the UK Public Sector, and the CIPFA Code of Practice.

1.3 Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. Internal audit helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, compliance and governance processes.

1.4 Internal audit is a statutory requirement for local authorities, in accordance with the Accounts and Audit Regulations 2015 (England) – which state that "A relevant authority must 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".

1.5 Internal audit independence is achieved by reporting lines which allow for unrestricted access to the Chief Executive, Senior Management Team, and the Chair of the Audit Committee. Internal auditors have no direct operational responsibility or authority over any of the activities audited and the Internal Audit Charter and Mandate sets out how independence and objectivity is maintained and evidenced.

1.6 The Global Internal Audit Standards require the Chief Internal Auditor to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, which should provide a reasonable level of assurance, subject to the inherent limitations described below and set out in Appendix 1 to this report and takes into account other sources of assurance, as appropriate. The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

1.7 As such, the Annual Report contains:

- the Internal Audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment);
- a summary of the audit work from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and

- a statement on the extent of conformance with the Standards.

2. Chief Internal Auditor's Opinion 2025/26

2.1 Based upon the work undertaken by Internal Audit during the year, the Chief Internal Auditor's overall opinion on the Council's system of internal control is set out below:

I am satisfied that sufficient internal audit work has been undertaken to inform an opinion on the adequacy and effectiveness of governance, risk management and internal control for 2025/26. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

It is my opinion that **Good Assurance** can be given over the adequacy and effectiveness of the Council's control environment for 2025/26 – see definition of assurance opinions in section 4.1 of this report. This control environment comprises of the system of internal control, governance arrangements and risk management. Any limitations over this opinion are detailed and explained further below.

Financial control

Controls relating to the Council's key financial systems which were reviewed during the year were all concluded to be operating at a level of Moderate Assurance or above, with 63% of opinions given being of Good or Substantial Assurance.

Assurance over the outsourced revenues and benefits service has been provided in the form of internal audit reports issued for the Anglia Revenues Partnership shared service. These have all resulted in assurance opinions of 'Adequate / Reasonable' or 'Good / Substantial'.

Risk management

The Council's structures and processes for identifying, assessing and managing risk have remained generally consistent during 2025/26. The Risk Register has been presented to the Audit Committee during the financial year.

Internal control

For the audits completed by the Internal Audit service in 2025/26, 100% of the opinions given in relation to the control environment and compliance have been of at least Moderate Assurance. There have been no reports issued with an opinion of 'high' organisational impact. Of the audits completed by the Internal Audit service, 67% of opinions were of 'Substantial' or 'Good'.

Of the agreed management actions due for implementation during 2025/26, 95% had been completed during the year.

Key risks

The audit plan coverage had targeted areas of known risk and was informed through consultation with senior management and the Audit Committee. Key areas of risk for the

Council during 2025/26 have included the impact of Local Government Reorganisation, the bereavement centre project delivery and regulatory compliance. The audit plan coverage sought to provide assurances in these areas, with audits on staff engagement and support during a period of change, embedded assurance work on the bereavement centre project and audits on key areas for compliance such as procurement and asset management.

The external audit report for 2024/25 noted issues with the effectiveness of internal quality review arrangements in ensuring timely, accurate and quality working papers to support the financial statements. Actions were agreed to strengthen controls and resilience within the finance team during 2025/26 and an update on progress was provided by management to the Audit Committee in March 2026.

2.2 The basis for this opinion is derived from an assessment of the individual opinions arising from assignments undertaken throughout the year from the risk-based Internal Audit plan. Assurances from other sources have also been taken into consideration, where appropriate. The assessment has taken account of the relative materiality of areas highlighted for improvement and management's progress in addressing any control weaknesses.

2.3 In giving this opinion, it should be noted that, during 2025/26, the Council's Internal Audit service:

- Has not been made aware of any further governance, risk or internal control issues which would reduce the above opinion. No systems of controls can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.
- Operated in general conformance with Global Internal Audit Standards (GIAS) in the UK Public Sector requirements. In March 2025, an external quality assessment was completed and reported in full to the Audit Committee, which concluded that the team was operating in accordance with the Public Sector Internal Audit Standards included a gap analysis against the new GIAS. During 2025/26, the Internal Audit team delivered actions recommended from the external assessment and undertook a further self-assessment applying the CIPFA template for assessing GIAS conformance.
- Had unrestricted access to all areas, systems and information across the authority required to conduct the audit assignments.
- Operated independently, as per the Internal Audit Charter, with no compromises of Internal Audit's independence.
- Had sufficient resources to enable the service to provide adequate coverage of the authority's control environment for the year.

2.4 Where management have accepted a risk identified in audit coverage this has been reported to the Audit Committee within progress reporting. There have been two such occasions in 2025/26, as follows:

- To not implement independent review of credit notes raised to ensure these had been suitably authorised (Accounts Receivable); and

- To not enforce segregation of duties between the processing and approval of BACs payments (Accounts payable).

2.5 The Standards require specific safeguards to be in place where the Chief Internal Auditor has responsibilities for matters beyond internal auditing. There are no independence issues to bring to the Committee's attention. Should any independence issues arise in relation to any internal audit work the matter would be referred to the Director Finance and the Audit Committee would be informed.

3. Summary of findings

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3.1 All final reports have agreed action plans, dates and responsible officers, where required. The audit opinions arising from the work of Internal Audit are summarised in Table 1, split by assurance area.

Table 1 – Summary of audit opinions 2025/26:

Area	Substantial	Good	Moderate	Limited	No
Financial systems	3	2	3	-	-
Key corporate controls and policies	-	1	3	-	-
Risk based audits	3	10	1	-	-
Revenues and benefits (Anglia Revenues Partnership)	-	1	3	-	-
Total	**6**	**14**	**10**	**-**	**-**
Summary	**20%**	**47%**	**33%**	**-**	**-**
Summary (2024/25) for comparison	**23%**	**50%**	**27%**	**-**	

3.2 The Internal Audit team's work has been targeted upon areas of identified risk and has sought to support service areas in identifying and prioritising areas for improvement.

4. Review of audit coverage

Audit opinion on individual audits

4.1 The Committee is reminded that the following assurance opinions were assigned during 2025/26, in accordance with the Internal Audit Charter:

Table 2 – Assurance categories:

Level of Assurance	Design of control environment definition	Compliance definition
Substantial	There is a sound system of internal control to support delivery of the objectives.	The control environment is operating as intended with no exceptions noted which pose risk to delivery of the objectives.
Good	There is generally a sound system of internal control, with some gaps which pose a low risk to delivery of the objectives.	The control environment is generally operating as intended with some exceptions which pose a low risk to delivery of the objectives.
Moderate	There are gaps in the internal control framework which pose a medium risk to delivery of the objectives.	Controls are not consistently operating as intended, which poses a medium risk to the delivery of the objectives.
Limited	There are gaps in the internal control framework which pose a high risk to delivery of the objectives.	Key controls are not consistently operating as intended, which poses a high risk to the delivery of the objectives.
No	Internal Audit is unable to provide any assurance that a suitable internal control framework has been designed.	Internal Audit is unable to provide any assurance that controls have been effectively applied in practice.

4.2 All individual reports represented in this Annual Report are final reports. As such, the findings have been agreed with management, together with the accompanying action plans.

Summary of audit work

4.3 Table 3 details the assurance levels resulting from all audits undertaken in 2025/26 and the date of the Committee meeting at which the outcome of the audit was presented.

4.4 All completed assignments have been delivered in accordance with the agreed audit planning records and provide assurance in relation to the areas included in the specified scope.

Table 3 – Summary of finalised audit opinions 2025/26:

Audit Area	Design of Control Environment	Compliance	Org Impact	Committee Date
Financial systems – providing assurance that the Council has made arrangements for the proper administration of its financial affairs				
Bank reconciliation	Substantial (Green)	Good (Green)	Low (Green)	July 2026
Accounts Payable	Moderate (Amber)	Good (Green)	Low (Green)	July 2026
Accounts Receivable	Moderate (Amber)	Moderate (Amber)	Low (Green)	July 2026
Payroll	Substantial (Green)	Substantial (Green)	Low (Green)	March 2026
Key corporate controls and policies				
Information requests	Good (Green)	Moderate (Amber)	Low (Green)	October 2025
Procurement compliance	Moderate (Amber)	Moderate (Amber)	Medium (Amber)	July 2026
Risk based audits				
Asset management	Moderate (Amber)	Good (Green)	Low (Green)	October 2025
Disaster recovery	Good (Green)	Good (Green)	Low (Green)	October 2025
Major project – Bereavement Centre	Good (Green)	Good (Green)	Low (Green)	January 2026
Staff engagement and support	Good (Green)	Good (Green)	Low (Green)	March 2026
Governance of the trading companies	Good (Green)	Good (Green)	Low (Green)	March 2026
Net Zero	Substantial (Green)	Substantial (Green)	Low (Green)	July 2026
Preparedness for changes in waste regulations	Substantial (Green)	Good (Green)	Low (Green)	July 2026

Audit Area	Design of Control Environment	Compliance	Org Impact	Committee Date
Revenues and Benefits – delivered by Anglia Revenues Partnership				
Business rates	Adequate / Reasonable			July 2026
Enforcement	Good / Substantial			July 2026
Recovery of Council Tax and Housing Benefit Overpayments	Adequate / Reasonable			July 2026
Council Tax Billing, Housing Benefit and Local Council Tax Reduction Scheme	Adequate / Reasonable			July 2026

4.5 Audit outcomes have been reported to the Audit Committee during the 2025/26 financial year, as finalised.

Implementation of agreed management actions

4.6 Internal Audit follow up on progress made against all agreed actions arising from completed assignments to ensure that they have been fully and promptly implemented. Internal Audit trace follow up action on a regular basis and report updates at every Audit Committee meeting.

4.7 A total of 20 agreed actions have been implemented by officers during 2025/26, which represents 95% of the actions which were due for implementation.

4.8 Details of the implementation rate for the agreed management actions during 2025/26 are provided in Table 4, as at 31st March 2026.

Table 4 - Implementation of agreed management actions due in 2025/26:

	'High' priority	'Medium' priority	'Low' priority	Total
Agreed and **implemented**	1	7	12	20 (95%)
Agreed and **due within last 3 months**, but not implemented	-	-	-	-
Agreed and **due over 3 months ago**, but not implemented	-	1	-	1 (5%)
Total	**1**	**8**	**12**	**21**
Agreed and not yet due for implementation	-	3	3	6

Other sources of assurance

4.9 In May 2025 and May 2026, the Council achieved certification for the Public Sector Network (PSN) Code of Connection (CoCo) compliance. PSN compliance requires local authorities to document how their information technology meets the requirements, which were adapted from the global ISO27001 standard. Submission for the certification requires evidence of recent penetration testing of the Council's network and satisfactory resolution of vulnerabilities exposed.

5. Performance

5.1 It is important that Internal Audit demonstrates its value to the organisation. The service provides assurance to management and Members via its programme of work and also offers constructive support and advice to assist the Council in new areas of work.

5.2 Since 1st April 2022, the Council's internal audit service has been delegated to North Northamptonshire Council. During this year, a number of successful recruitment campaigns have resulted in the appointment of auditors from a variety of backgrounds which will serve to strengthen the depth and breadth of the team. The team have built effective working relationships with service areas and seek to continue to build upon the positive feedback and reputation built to date.

5.3 The Internal Audit service has issued reports on **100%** of the assignments from the 2025/26 Audit Plan.

5.4 In order to seek feedback on the quality of the internal audit work, customer satisfaction surveys are issued following the conclusion of audit assignments. The feedback received on audits delivered during the 2025/26 year is summarised in table. Of the feedback received 100% rated the elements of the service as either 'good' or 'outstanding'.

Table 5 – Customer satisfaction survey results

Aspects of audit assignments	Excellent	Good	Satisfactory	Poor
QUALITY: Were the audit objectives and scope clearly defined and communicated?	11	-	-	-
COMMUNICATION - How effective was the communication from the audit team throughout the audit process?	11	-	-	-
	Strongly agree	**Agree**	**Disagree**	**Strongly disagree**
COMMUNICATION - Audit findings and recommendations were clearly explained and documented.	9	2	-	-
PROFESSIONALISM - The audit team was professional and courteous in their interactions with you.	11	-	-	-
VALUE - The audit provided valuable insights and recommendations that will help improve your processes.	5	6		

	Yes	No
QUALITY: Were the audit objectives and scope clearly defined and communicated?	11	-
COMMUNICATION - Did the audit team keep you informed of the audit progress and any issues encountered?	11	-

Comments received during the year included:

- 'As has been my consistent experience, the audit is approached in a non confrontational manner which always gives me confidence in the process in the audit objective. Recommendations are clearly explained, discussed and agreed with reasonable timescales required to address the recommendations'.

- 'As usual the audit was seamless and clearly set out. The scoping meeting to define the nature of the audit and the information required was very clear and during the process after initial evidence was provided there was clear communication and realistic timescales for submitting further evidence.

  The closedown meeting is very useful so both parties understand the reason for recommendations and agree actions that would lead to better processing and compliance.

  [The auditor], as ever, was very good and understands the pressures of the organisation and my time!'

- 'Good all round communications, knowledge & understanding including that of other work commitments alongside the audit'.

Internal Audit contribution in wider areas

5.5 Key additional areas of Internal Audit contribution to the Council in 2025/26 are set out in Table 6:

Table 6 – Internal Audit contribution

Area of Activity	Benefit to the Council
Rolling risk register reviews.	Providing the Audit Committee with assurances over the content of risk register entries and risk management arrangements. This also gives Internal Audit an insight into the risks identified and areas where assurance is needed.

Area of Activity	Benefit to the Council
Ad hoc advice and assistance.	Assistance with ad-hoc queries and advice. Raising the profile of Internal Audit with service leads to increase the effectiveness of the service.
Sharing advice and fraud alerts.	Pro-active counter fraud support and learning from other authorities.
Maintaining a fraud reporting mailbox to enable concerns to be raised directly with Internal Audit.	Supporting the Council in its Counter Fraud strategy and reinforcing a zero-tolerance culture.
Support for the development on new processes and systems - providing "critical friend" advice to ensure that effective controls are built in at the outset.	Supporting the Council to strengthen its control environment at the earliest opportunity.
Maintaining good working relationships with External Audit.	Maximising value of audit resources.

Professional Standards and quality assessment and improvement

5.6 In April 2025, the Global Internal Audit Standards (GIAS) came into effect for local government, supported by the Application Note for GIAS in the UK Public Sector, and the CIPFA Code of Practice.

5.7 Under the requirements of the GIAS, the Internal Audit service must be evaluated against the Standards and any areas of non-conformance reported to the Audit Committee. In 2025/26, the service was subject to its first external quality assessment, which must take place at least once every five years. The outcome of the assessment was reported to the Audit Committee in full in July 2025 and concluded that the 'the North Northamptonshire Council internal audit service is delivering to a standard that generally conforms with the Public Sector Internal Audit Standards' and all areas were assessed as either 'excelling' or 'established'. All areas raised for further development were subject to an action plan and reflected within the quality assurance and improvement plan – this includes actions required to revise services to comply with the GIAS. The Chief Internal Auditor conducts an annual self-assessment against the standards in the years between external assessments and the new CIPFA template for assessing conformance against the GIAS in the public sector was used for the 2025/26 assessment.

5.8 Actions arising from the external quality assessment and progress to date are provided as Appendix B to this report, demonstrating completion of the actions relating to East Cambridgeshire District Council.

5.9 The Standards require that internal audit 'must develop and maintain a 'quality assurance and improvement programme' that covers all aspects of the internal audit activity'. This quality assurance and improvement programme is designed to check internal audit's conformance with the Standards and the profession's code of ethics and also assess its efficiency and effectiveness and identify any areas for improvement.

5.10 The Council's internal audit quality assurance and improvement programme consists of the following elements:

- An external assessment to independently assess compliance with the Standards every five years, as reflected above. The timing of the next external assessment will be agreed with the Committee within the five-year period.
- An annual self-assessment against the Standards by the Chief Internal Auditor, applying the CIPFA template;
- A quality review process is undertaken for each individual audit. These reviews examine all areas of the work undertaken, from initial planning through to completion and reporting;
- Customer satisfaction questionnaires are issued following the finalisation of audit reports and questions are aligned with the expectations of the Standards and reported to the Audit Committee in progress reporting and the annual report; and
- Quality assurance checks are undertaken by the internal audit team to ensure the Standards are consistently applied, including post audit reviews conducted with management on each assignment.

5.11 Key actions arising from the self-assessment conducted by the Chief Internal Auditor in April 2026 have been included in the Quality Assurance and Improvement Plan (QAIP) and are as follows:

- Ethics and professionalism training to be included in the training matrix for all team members and to be completed by all in 2026/27;
- To invest in training opportunities relating to value for money auditing, to further develop this skillset within the service; and
- To support ongoing Audit Committee training in relation to the Global Internal Audit Standards.

5.12 The Chief Internal Auditor can confirm that there has been no evidence of impairment of the independence of the Internal Audit team during 2025/26 and no auditors have reviewed systems/controls which they have been responsible for delivering. Every member of the Internal Audit team completes an annual declaration of any interests which could present a conflict of interest and confirmation of acceptance of the code of ethics.

Appendix 1: Limitations

Limitations inherent to the Internal Audit's work:

Internal Audit work has been performed subject to the limitations outlined below:

Opinion

The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our agreed annual programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence management and the Audit Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls relating to the areas audited is for the period 1st April 2025 to 31st March 2026. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities.

However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as internal auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.

This report has been prepared solely for the use of councillors and management of East Cambridgeshire District Council. Details may be made available by internal audit to specified

external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared and is not intended for any other purpose. The matters raised in this report are only those that came to our attention during the course of our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements, or were not brought to our attention.

Appendix 2

External Quality Assessment (EQA) Action plan

Area	Action agreed	Action status as at April 2026
Resources	The Internal Audit Charter is reviewed and updated annually and has been fully reviewed and amended to align with the Global Internal Audit Standards for April 2025. As North Northamptonshire Council was first formed in April 2021, it has taken time to reach a position where the Chief Internal Auditor is able to reflect on successive internal audit plans and assurances. It is considered that, following four financial years, it would now be appropriate to be able to reference this in the Internal Audit Charter.	**Complete** Revised Internal Audit Charter and Mandate produced for approval by Audit Committee for 2025/26 and further approved in March 2026.
Resources	A Quality Assurance and Improvement Plan (QAIP) policy or protocol will be produced and adopted, to support the revised Charter. The 2024/25 annual report and opinion will include confirmation of compliance with the service's protocols and manual; performance data and any development needs highlighted in the QAIP. These areas have been included in previous annual reports and will be expanded upon in the 2024/25 report.	**Complete** QAIP formalised and linked to updated charter. Annual reports for 2024/25 and 2025/26 include compliance with expected Standards and protocols, and confirm no exceptions.
Competency	The Chief Internal Auditor will work with the Council to build upon existing audit plan development processes, to ensure alignment with risk registers and support assurance mapping.	**Complete** Included in development of 2026/27 audit plan.

Appendix 2

Area	Action agreed	Action status as at April 2026
Competency	Sources of assurance are already captured within the template Assignment Planning Record (APR) for every audit assignment. The Chief Internal Auditor will look to expand this through ensuring key assurances on the Council's strategic risks are captured within the annual report and opinion.	**Complete** Key risks reflected in opinion for 2025/26 and in the body of the report in 2024/25.
Competency	Every APR template already begins with the 'Objectives of the area' which is expected to capture the objective of the service area management, to then inform the risks for coverage. This can be re-titled 'Management's objectives' and the team will reflect on how this is informed. The Audit Manual will be expanded to ensure discussions taking place around risks in the planning meeting align with the Council's risk management terms and approach. The APR template already lists sources of assurance and controls for every risk.	**Complete** Audit manual updated and objectives of the area reviewed by the Chief Internal Auditor on each assignment to ensure alignment with the objectives of the service.
Competency	In reviewing the Internal Audit Manual, consideration will be given to the definition of the recommendation gradings to align with the risk management framework.	**Complete** Audit Manual updated.
Delivery	Under the existing Audit Manual, every audit report is reviewed and approved by the Chief Internal Auditor before issuing. The Audit Manual will be reviewed in light of the Global Internal Audit Standards and	**Complete**

Appendix 2

Area	Action agreed	Action status as at April 2026
	coverage on audit report review will be updated accordingly. A statement can be added around review of reports in the absence of the Chief Internal Auditor, to support resilience of the service delivery. The report template can be amended to include the Chief Internal Auditor's approval.	Audit Manual now includes provision for delegation to review reports in the absence of the Chief Internal Auditor, where appropriate. Report template have been amended to include Chief Internal Auditor's sign off.
Delivery	The annual report already reflects on assurances over risk management, including the rolling risk reviews introduced in 2022/2023. This will be expanded further in future reports.	**Complete** Annual report includes assurances over risk management and to reflect work completed.