

**INTERNAL AUDIT 2025/26**

**Summary:** To consider the independence of the internal auditor and present the Internal Audit Report for 2025/26.

**Recommendation:** That the Board consider the independence of the Internal auditor, approve the appointment of the internal auditor and note the Internal Audit Report.

**Report by:** Magda Glanowska – Director of Finance and Corporate Services

1. Under the Accounts and Audit Regulations 2015, the Board is required to arrange an Internal Audit of its functions in accordance with the mandatory sections of guidance published in March 2025 by the Smaller Authorities Proper Practices Panel (SAPPP) – formerly the Joint Panel on Accountability and Governance (JPAG).
2. During the financial year 2025/26, we underwent a rigorous internal audit tender process. The independence of the newly appointed internal auditor TIAA Ltd was scrutinised during the process and the appointment endorsed by the Finance and Governance Committee at February Committee meeting.
3. The programme of work was completed by Mark Thomson, Elan D Parry and Kashif Azeem of TIAA Ltd, an independent qualified accountant and auditor, appointed by the Board. Elan D Parry and Kashif Azeem of TIAA Ltd joined Finance & Governance Committee meeting on 21 May 2026 and briefed the Committee on their audit work approach and progress.
4. A summary of the audit scope and coverage is attached at *Appendix B(i)*, together with brief details of the audit findings and conclusions. The overall audit conclusion arising from the year's work is that, in all significant respects, the Board has adequate assurance that good systems are in place; that those systems and controls are operating as intended; and that improvements have been made in line with all previous audit recommendations.
5. The report draws attention to three recommendations for action – (see Ref 1, 2 & 3) which are being implemented accordingly.
6. The report was circulated to, considered by, and approved by members of the Board's Finance and Governance Committee via email following the meeting held on 21 May 2026. The report was not available at the May Committee meeting due to the timeframe of the engagement.
7. Internal Audit work feeds into and supports the Board's mandatory Annual Governance Review, which is presented for approval at this AGM.

8. In addition, under the Limited Assurance regime, the Board's External Auditor requires that Internal Audit opinions for the year should be summarised in a specified format within the Board's Annual Governance and Accountability Return (AGAR), which is also presented for approval at this AGM.

**SUPPORTING DOCUMENTS:**

- Appendix B(i) – AIAR
- Appendix B(ii) – Annual Internal Audit Report 2025-26
- Appendix B(iii) – Signed Engagement Letter