NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 AUGUST 2026

Title of Report	INTERNAL AUDIT ANNUAL CONCLUSION	
Presented by	Kerry Beavis Internal Audit Manager	
Background Papers	Global Internal Audit Standards CIPFA Application Note – Global Internal Audit Standards in the UK Public Sector CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government	**Public Report:** Yes
Financial Implications	None arising from this report	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None arising from this report	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	None arising from this report	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To present the annual internal audit conclusion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control. This is required by the Global Internal Audit Standards and supporting Guidance and Notes relating to Public Sector and should be used to inform the Annual Governance Statement.	
Recommendations	**THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES THIS REPORT AND COMMENTS AS APPROPRIATE.**	

1.0 BACKGROUND

1.1 In accordance with the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government, the Chief Audit Executive (Audit Manager) is required to provide an annual report and conclusion to the Audit and Governance Committee. This report is timed to support the preparation of the Annual Governance Statement (AGS) and forms a key source of assurance within the Council's overall governance framework. The annual conclusion provides an evidence-based assessment of the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control, and should be taken into account in preparing and supporting the AGS.

2.0 ORGANISATIONAL PROGRESS DURING 2025/26

2.1 Whilst the Annual Internal Audit Conclusion for 2025/26 is one of Limited Assurance, the report at Appendix 1 also highlights the significant progress made across the Council in strengthening governance, risk management and internal control arrangements. Services have, on the whole, engaged constructively with the audit process, implementing recommendations made during the year and taking proactive action to address identified weaknesses. Several reviews completed during the year identified effective controls and examples of good practice, providing a strong foundation on which further improvements can be built.

2.2 The Limited Assurance conclusion primarily reflects significant control weaknesses identified in key areas, including issues reported in previous years that have not yet been fully addressed, rather than a lack of improvement across the organisation. Management has responded positively to audit findings, with action plans in place to address the issues identified and strengthen the control environment.

2.3 Whilst progress has been made, further work is required to ensure that improvements are fully embedded and consistently applied across the Council. This includes maintaining effective governance, risk management and control arrangements and ensuring that improvements become part of day-to-day operations.

2.4 The key weaknesses identified through the annual conclusion process will be incorporated into the Annual Governance Statement (AGS) Action Plan, with clear actions, ownership and timescales for delivery. Progress will be monitored throughout 2026/27 and reported to the Committee to provide assurance that improvements are being implemented and sustained.

2.5 The Committee can take assurance from the commitment shown by management and officers to addressing audit findings and strengthening the Council's overall control environment.

Policies and other considerations, as appropriate	
Council Priorities:	A well-run Council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	None compliance with the Global Internal Audit Standards and relevant Public Authority Guidance and Application Notes.
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