Internal Audit performance – 2026/27 mid-year update noted.

7 There was submitted and noted a report by the Head of Audit and Inspection regarding the performance of the Internal Audit section within Financial Services for the first half of 2026/27, advising

(1) of the various areas of performance, including the Internal Audit team establishment, key priorities performance update, work and efficiency and that no new significant issues had been reported for 2026/27;

(2) of the number and range of whistleblowing cases raised up to 30th September 2026, the subsequent enquiries undertaken and the outcome of the completed enquiries to date, together with an update on cases that were ongoing during the first 6 months of the 2026/27 financial year, as detailed in the report;

(3) of the work of the Corporate Fraud and Investigation Team and that during the first 6 months of 2026/27 it had identified savings of almost £999,200 for the Council and the wider public purse which was an increase on the identified savings of £709,500 in the same period in 2025/26 and visits relating to the Scottish Welfare Fund had been temporarily suspended during the first half of 2026/27, due to recent changes in legislation relating to unannounced visits, however the decrease had been offset by an increase in referrals relating to fraudulent homeless applications;

(4) that work was ongoing to review and resolve any outstanding mathces identified through 2024/25 National Fraud Initiative (NFI) and preparations for the 2026/27 NFI exercise were also underway, with all required data submissions due my mid-October and following submission, match reports were expected to be released in December 2026;

(5) that as part of the Audit Glasgow initiative, the audit team continued to undertake audit assignments and provide support to other public sector organisations;

(6) that this committee on 25th March 2026 (Print 1, page 125) had approved the implementation of the 2026/27 Internal Audit plan and the backfilling of vacant qualified accountant and auditor posts had been challenging and a strategy had been developed to respond to those challenges, however the reduced resources available in 2026/27 required amendments to be made to the agreed audit plan, as detailed in the report; and

(7) that from 1st April 2025 Internal Audit Teams in the UK were working to the new professional standard which were a combination of the Global Internal Audit Standards and the Application Note “Global Internal Audit Standards in the UK Public Sector” and Internal Audit had undertaken in quarter 1 of 2026/27 to access compliance with the new standards and validation of the IQA was subsequently conducted via an independent External Quality Assessment (EQA), by Leeds City Council in August 2026 and once outputs for the EQA were received an update, along with any associated outcome and actions will be reported to a future meeting of this committee.