

AUDIT COMMITTEE

18 March 2026

Internal Audit Plan 2026/27

Report of Head of Internal Audit

PURPOSE OF REPORT

To inform Members of the planned Internal Audit work for the forthcoming year.

This report is public

RECOMMENDATION

The Committee is asked to:

1. Approve the 2026/27 Annual Internal Audit Plan and draft Strategic Plan to 2026/27
2. Note that reports dealing with both progress against the Plan and outcomes achieved will be submitted to each meeting; and
3. Note that Plan changes will be reported during the year.

1.0 Introduction

- 1.1 The terms of reference of the Audit Committee include the wording: "To approve the risk-based internal audit plan, including resource requirements and the approach to using other sources of assurances and any work required to place reliance upon those other sources".
- 1.2 Global Internal Audit Standards (GIAS) of the Institute of Internal Auditors and Application Note specify that '*The Director of Internal Audit will establish risk based plans to determine the priorities of the internal audit activity consistent with the organisation's goals.*'
- 1.3 The Internal Audit Plan defines the scope and the rationale of the approach being followed. They allow Internal Audit, independently, to provide assurance to managers, the Chief Executive, the Section 151 Officer and other stakeholders about the effectiveness of controls and the management of risk. They also enable Internal Audit to assist this Committee with its responsibility to oversee the effectiveness of governance arrangements in the Council and in its partnerships through the reporting arrangements in place.

2.0 Proposal Details

Draft Internal Audit Plan 2025/26

- 2.1 The Plan defines the scope and reasoning behind the approach being adopted. Overall, the objectives are:
 - to fulfil Internal Audit's own statutory obligations;

- to provide assurance, support and advice to Chief Officers on matters under their control;
- to support the Section 151 Officer's statutory obligations to maintain an adequate and effective audit of the Council's accounting records and its systems of internal control; to assist the Audit Committee in gaining independent assurance on the Council's risk management, governance and control arrangements;
- to report compliance with the GIAS; and
- to contribute to the development of corporate standards

2.2 The Plan is mapped to the Council's strategic objectives and strategic and will be reviewed as part of the risk assessment process to ensure that it remains focused on the Council's key risks and challenges and adds value

3.0 Financial Considerations

3.1 The current draft audit plan priorities for 2026/27 will be delivered within the overall budget for the internal audit service with the exception of an additional bespoke review included in the plan regarding Decent Homes Policy, this review has been requested as an additional to plan review. As such, the costs for this review are outside of the core plan and will be invoiced separately.

4.0 Details of Consultation

4.1 The 2026/27 Plan is Year Three of a Three Year Strategic Audit Plan covering 2026/27 – 2028/29. It will be subject to a review and refresh during year in consultation with Senior Leadership Team. Later in 2026/27 further consultations will be held with Chief Officers to ensure that the Plan continues to meets the stated objectives. Any significant changes to reflect new developments, changes to priorities and/or resources will be reported to this Committee.

4.2 Ongoing consultations will take place with Chief Officers during 2026/27 to ensure that specific Terms of Reference are prepared for each planned audit that reflect the detailed key risks relevant to each area.

5.0 Options and Options Analysis (including risk assessment)

5.1 The options available are to either accept the internal audit plan 2026/27 which will provide the Council and its internal audit function with the basis for continued compliance with established Internal Audit standards or recommend alternative proposals if necessary. There are no alternative options to be considered at this point in time.

6.0 Conclusion

6.1 Robust and effective planning are key elements in the delivery of an effective internal audit service. The attached audit plan, will assist the council in achieving its objectives and provide an overall opinion on the Council's control environment, which is a required key source of assurance in the Council's Annual Governance Statement.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Not applicable

FINANCIAL IMPLICATIONS

The draft audit plan priorities for 2025/26 can be delivered within the overall budget for the internal audit service.

SECTION 151 OFFICER'S COMMENTS

The delivery of the Council's audit strategy and audit plan are fundamental to the assessment of the Councils Internal Control environment.

LEGAL IMPLICATIONS

None directly arising from this report

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Global Internal Audit Standards (GIAS) and CIPFA's Local Government Application Note (LGAN)

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