Draft Internal Audit Plan 2026/27

Background

- The risk based internal audit plan is prepared based on a range of inputs including the Council's Corporate Risks, discussions with service management, horizon scanning and reference to our Strategic Plan (2025-2028) which is shown in **Appendix 2**.

- The Strategic Plan, documents significant, persistent risks that the Council faces and outlines areas or themes to be covered. It is intended to support the annual planning process to ensure that internal audit continues to provide assurance over the breadth of the Council's operations over time and does not become a purely reactive function.

- Audit planning is an ongoing process throughout the year to ensure that we can react to new and emerging risks and changing needs of the Council and, to ensure that the internal audit focus remains relevant, we have a quarterly planning process with regular conversations, review of risk registers and scanning of the external risk environment.

- A plan of proposed internal audit coverage covering quarter 1 of 2026/27 and an indication of potential audits for the remainder of the year has been prepared and where possible, we have linked the audits to the Council's Corporate Risks. The Plan will be refined as we identify specific audits for quarters 2 to 4 with updates provided to the Audit Committee as part of our regular progress reporting.

- Internal audit is only one source of assurance, and throughout the delivery of our plan we will continue to identify other assurance providers to ensure that duplication is minimised and a suitable level of assurance is obtained to include in the Annual Report on Internal Audit and Internal Control which will be provided by the Head of Internal Audit at the end of the financial year.

Use of Data in Internal Auditing

During the year, the Internal Audit Service will continue to consider areas where a programme of continuous auditing can be developed. Data sources will be considered, with themes or specific risks identified from discussions with management. This type of auditing will be developed in conjunction with the Corporate Anti-Fraud Service (CAFS) to make the best use of the knowledge and resources available across both teams.

Continuous auditing (CA) is a method of performing audits on a regular basis using technology. It works by:

- Using automation to gather data from systems, processes and transactions.
- Using technology to analyse the data.
- Identifying issues including monitoring for potential fraud and compliance issues.
- Reporting findings in a timely manner to stakeholders.

Benefits of this type of auditing include:

- Reducing risk by helping to detect and address issues before they cause financial loss.
- Improving efficiency within the organisation and freeing up time for higher-level work.

Audit Plan 2026/27 (Quarter 1)

Area	Audit Title	Reason for Inclusion	Risk
Schools	School Audits	Cyclical review of the finance and governance arrangements in schools (will be undertaken over quarter 1 to quarter 4)	Finance & governance
Digital	To be confirmed	Audits will be discussed with the service (see also Q2 to Q4)	TBC
People	Public Health Contract Monitoring	Contract monitoring of the service provided for Support and Advice on Sexual Health.	CR 1
People	Adult Placements	Review to consider the value for money arrangements in place including use of spot /block purchasing.	CRs 1, 32, 33
Place	Climate Change/ Net Zero	Changes since previous audit undertaken (2023/24). Could consider other issues related to net zero targets/ Carbon Offset Fund etc.	CR 26
Finance & Corporate Service	Leaseholder Charges & Debt Management	Late Q1 start: Following data transition from SAP to NEC review of full process (delayed from previous year). Consider use of data in this audit.	Finance & Governance
Cross-cutting	Business Continuity	Review of the robustness and effectiveness of business continuity plans in place at the time of the cyber incident and how any lessons learned are being reported and managed across the Council.	CR 3

2026/27 – Potential Audits (Quarters 2 to 4)

Area	Audit Title	Reason for Inclusion	Risk	Timing
People (Schools)	School Audits	Cyclical review of the finance and governance arrangements in schools (will be undertaken over quarter 1 to quarter 4)	Finance & governance	Q1 to Q4
Digital	To be confirmed	Audits will be discussed with the service (see also Q1)	TBC	TBC
People	Mental Health Capacity Act (advisory)	Scope to be discussed.	CR 33	TBC
People	Children's Services – Private Fostering	Assurance requested on the processes in place for recording private fostering arrangements and ensuring the appropriate support and assistance is provided.	CR 33	TBC
Housing	Damp and Mould	Not audited since the implementation of Awaab's Law – assurance on processes in place for recording and managing severe hazards, such as damp and mould, within mandatory timeframes.	CR 9	Q2
Place	Corporate Health & Safety	Previous advisory reviews of FM Health and Safety now due for an assurance review.	CR 21	TBC
Finance & Corporate Service	Direct Payments (Adults)	Deferred from previous year.	CR 33	Q3
Cross-cutting	Risk Management	Provision and access to training and risk management toolkit across the Council	Governance	TBC

2026/27 – Potential Audits (Quarters 2 to 4) contd

Area	Audit Title	Scope and /or Reason for Inclusion	Risk	Timing
Cross-cutting	Payroll/ HR	• Local controls over pay (outside of IBC controls) • Local controls over pay variations/ upgrading / allowances/ expenses	Finance & governance	TBC
Cross-cutting	Use of Data	• Further work on data available for analysis /assurance.	TBC	Q2 to Q4
Cross-cutting	Procurement	Potential audits: • POs process and planning – PO raising/ requisitioning process, checking for a contract and PO practice across the council. • Cost management in contracts (include in contract management reviews). • Financial risk management for strategic contracts/suppliers.	CR 1	TBC
Cross-cutting	Savings and/ or Transformation	Savings programmes governance and tracking. Benefits realisation and assurance over transformation	CR 19	TBC
Cross-cutting	Resources - TBC	Areas to be considered include: • Workforce Planning & Strategy • Recruitment • Performance Management • Professional Training and Development • Agency costs	TBC	TBC