
Internal Audit Plan 2025-2028

Committee considering report:	Governance Committee
Date of Committee:	29 th April 2025
Portfolio Member:	Councillor Iain Cottingham
Report Author:	Julie Gillhespey (Audit Manager)

1 Purpose of the Report

- 1.1 The Global Internal Audit Standards (GIAS) in the UK Public Sector require the Council's Internal Audit Plan and Audit Charter to be approved by those charged with governance within the Council. The Standards also require the Internal Audit Strategy to be reviewed by the Governance Committee. The key purpose of this report is to set out a risk-based plan of work for Internal Audit that will provide assurance to senior managers, members and the Governance Committee of the effectiveness of the Council's governance, risk management and internal control frameworks, which also supports the Committee's review of the Council's Annual Governance Statement.

2 Recommendation

- 2.1 That the Governance Committee discuss and approve the Proposed Audit Plan and Internal Audit Charter, and review the content of the Internal Audit Strategy.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	None
Human Resource:	None
Legal:	None
Risk Management:	Internal Audit work helps to improve risk management processes by identifying weaknesses in systems and controls

	and making recommendations to provide mitigation and improve service delivery processes.			
Property:	None			
Policy:	None			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:		X		.

Core Business:		X		
Data Impact:		X		
Consultation and Engagement:	Directorate Management Teams and Corporate Board.			

4 Executive Summary

- 4.1 From 1st April 2025 the Public Sector Internal Auditing Standards will be replaced by the Global Internal Audit Standards (GIAS) in the UK Public Sector. These new standards still require the Council's Audit Plan and Internal Audit Charter to be approved by the Governance Committee. A new requirement is for there to be an Internal Audit Strategy which requires review with senior managers and the Governance Committee (no formal approval required).
- 4.2 The key purpose of this report is to set out a risk-based plan of work for Internal Audit that will provide assurance to senior management, members and the Governance Committee of the effectiveness of the Council's governance, risk management and internal control frameworks, and also support the Committee's review of the Council's Annual Governance Statement.
- 4.3 The objectives for Internal Audit are set out in the Council's Internal Audit Charter (Appendix A). This document is reviewed and refreshed each year where appropriate. Amendments have been made this year to reflect new professional requirements set out in the GIAS in the UK Public Sector. Key changes are set out in the highlighted sections 5.3b), 5.3d), 5.3g), 5.5 and 5.6c).
- 4.4 The GIAS require the Internal Audit Service to have a strategy document, which sets out objectives and a longer-term vision for the Service, together with how the Service plans to meet the current and future needs of the Council. This document is set out as Appendix B.
- 4.5 The Internal Audit Reporting Protocol (Appendix C) sets out how the team will communicate with clients. As set out in the Reporting Protocol we treat the relevant Service Director as the main client.
- 4.6 The proposed work programme for Internal Audit for the period 2025-2028 is attached at Appendix D. The plan analyses the different areas of the Council's activity that Internal Audit have risk assessed as needing to be audited over a three-year timeframe.
- 4.7 The plan over the three-year period shows the level of resource is sufficient to meet the planned programme of work.
- 4.8 Good practice as stated in CIPFA's Fighting Fraud and Corruption Locally requires an Annual Anti-Fraud Work Plan to be prepared which links to the Audit Plan, a draft plan is attached as Appendix E.

- 4.9 The GIAS require the Audit Manager to assess and identify areas for improvement for the Internal Audit function each year, these are set out in Appendix F.

5 Supporting Information

Introduction

- 5.1 The key purpose of this report is to set out a risk-based plan of work for Internal Audit that will provide assurance to senior management, members and the Governance Committee on the effectiveness of the Council's governance, risk management and internal control frameworks, as well as support the Committee's review of the Annual Governance Statement.
- 5.2 The purpose is also to present the amended Internal Audit Charter for review and approval, and review of the newly created Internal Audit Strategy.

Background

- 5.3 The work of the Council's Internal Audit Service for the next year will be regulated by the Global Internal Audit Standards (GIAS) in the UK Public Sector, which come into effect 1st April 2025. The GIAS set out the following: -
- (a) Purpose of Internal Auditing.
 - (b) Code of Ethics.
 - (c) Performance standards required to be followed for the professional practice of internal auditing.
- 5.4 The purpose, scope and authority for Internal Audit are set out in the Council's Internal Audit Charter (Appendix A). This document is reviewed and refreshed each year where appropriate. The changes this year have been made as a result of the Public Sector Internal Audit Standards being replaced by the GIAS. The changes made are as follows: -
- (a) 5.3b) - added the requirement for the Internal Audit Strategy to be reviewed by the Governance Committee.
 - (b) 5.3d) - sets out the requirement for significant changes to the audit plan to be reported/approved by the Governance Committee.
 - (c) 5.3g) - the GIAS state that the Audit Manager should meet with the governance Committee on a regular basis, without senior management present (recommended rather than being a mandatory requirement).
 - (d) 5.5 - sets out the approach to liaising and co-ordinating with other internal and external assurance providers.
 - (e) 5.6c) - sets out day to day flexibility used by Audit Manager to prioritise audit planned/unplanned work.
- 5.5 The new professional standards require the Internal Audit Service to have a strategy document, which sets out objectives and a longer-term vision for the Service, together with how the Service plans to meet the current and future needs of the Council. The document also sets out how the audit risk assessment/scheduling of audits is carried out. This document is set out as Appendix B.
- 5.6 The main outcomes from the work of Internal Audit are:

- (a) Audit reports produced at the conclusion of each audit, issued to the relevant Service Director and Executive Director.
- (b) Monitoring reports on progress with implementation of agreed audit recommendations.
- (c) An annual assurance report and interim update reports for Corporate Board, members and the Governance Committee on the outcomes of Internal Audit work.

These reporting requirements together with who should be included in the circulation are formally set out in the Internal Audit Reporting Protocol (Appendix C). As set out in the Reporting Protocol we treat the relevant Service Director as the main client, and as such we require a response from them as to whether the recommendations are agreed or otherwise before a report is finalised.

5.7 The Internal Audit work programme for the period 2025-2028 is attached at Appendix D. The plan analyses the different areas of the Council's activity that Internal Audit have determined need to be audited after carrying out a risk assessment process. The Plan is broken down by Corporate Audits, then by Executive Director, and Service Director. The information for each audit covers: -

- (a) The key risks involved in that area.
- (b) The level of risk associated with the audit area/function, as assessed by Internal Audit.
- (c) The type of audit, setting out any direct links with the Council Strategy and Corporate Risk Register.
- (d) Date last reviewed.
- (e) An initial estimate of the number of days that will be required to complete the audit, and the year in which the audit is planned/last audited.

5.8 The plan over the three-year period shows the level of resource is approximately in line with the number of days in the planned programme of work.

5.9 The Audit Team consists of five staff; the Audit Manager, a Principal Auditor, two Senior Auditors and one Auditor post. This level of resource has been used to set out the plan of work over the three-year period.

5.10 The Audit Team has an in-service reportable performance target to achieve at least 80% of the audit plan for the year. In-year updates are provided to senior officers and Committee, with a detailed year end analysis of work undertaken compared with planned which is included in the Internal Audit Annual Report.

5.11 Good practice as stated in CIPFA's Fighting Fraud and Corruption Locally requires an Annual Anti-Fraud Work Plan to be prepared which links to the Audit Plan. A Fraud Plan is attached at Appendix E.

5.12 The GIAS require Internal Audit to have a Quality Assurance and Improvement Programme. An ongoing self-assessment has identified some areas for improvement, which are set out in a Quality and Improvement Programme at Appendix F.

Proposals

- (a) That the Governance Committee approve the planned work programme for Internal Audit updated Internal Audit Charter. Also, the Committee review the content of the newly created Audit Strategy.

6 Other options considered

None, the GIAS in the UK Public Sector require the Council's Audit Plan and Internal Audit Charter to be approved by the Governance Committee.

7 Conclusion

This report sets out the proposed work for Internal Audit over the next three years. In order for an informed decision to be made regarding the work programme, supporting information sets out the role of Internal Audit, and information explaining how the plan of audit work is assessed/compiled.

8 Appendices

- 8.1 Appendix A - Internal Audit Charter;
- 8.2 Appendix B - Internal Audit Strategy;
- 8.3 Appendix C - Internal Audit Reporting Protocol;
- 8.4 Appendix D - Internal Audit Plan 2025 to 2028;
- 8.5 Appendix E - Anti-Fraud Work Plan 2025/26;
- 8.6 Appendix F - Quality and Improvement Programme 2025/26.

Subject to Call-In:

Yes: ☒ No: ☐

- | | |
|--|--------------------------|
| The item is due to be referred to Council for final approval | <input type="checkbox"/> |
| Delays in implementation could have serious financial implications for the Council | <input type="checkbox"/> |
| Delays in implementation could compromise the Council's position | <input type="checkbox"/> |
| Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months | <input type="checkbox"/> |
| Item is Urgent Key Decision | <input type="checkbox"/> |
| Report is to note only | <input type="checkbox"/> |

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