



INTERNAL AUDIT SHARED SERVICE

Blaby District Council

2025/26 Internal Audit Annual Plan

1. INTRODUCTION

- 1.1 The Global Internal Audit Standards in the UK Public Sector require the Chief Audit Executive (the Audit Manager for this Council) to create an internal audit plan that supports the achievement of the organisation's objectives. This document sets out the background and the approach to producing the annual plan, with the 2025/26 annual plan attached at Appendix A.

2. BACKGROUND

- 2.1. The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit play a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to Internal Audit activity should lead to strengthening of the control environment and therefore contribute to the achievement of the organisation's objectives.
- 2.2. Internal Audit provide a combination of assurance and consulting/advisory activities. Assurance work involves assessing how well the systems are designed and working, with consulting or advisory activities available to help to improve those systems and processes where necessary. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.
- 2.3. The Internal Audit Charter details the:
- Purpose of Internal Auditing.
 - Commitment to adhering to the Global Internal Audit Standards.
 - Mandate, including scope and types of services to be provided, and the Board's responsibilities and expectations regarding management's support of the internal audit function.
- 2.4 The Three Lines of Defence Model (below) is a valuable framework that explains Internal Audit's role in providing assurance that the management arrangements over governance, risk and internal control are adequate and effective.



Source: Chartered Institute of Internal Auditors

3. INTERNAL AUDIT PLAN

3.1. Overall Strategy

- 3.1.1 The key aim of the service is to provide an independent, objective assurance and advisory function which is designed to add value and improve the Council's operations. This supports Blaby District Council in the achievement of its priorities and helps services to provide good value for money, as it brings a systematic disciplined approach to evaluating and improving the effectiveness of risk management and control and governance processes.
- 3.1.2 The Audit Manager has produced a risk-based annual audit plan for 2025/26. This is informed by a risk assessment which is based on a combination of:
- consulting with key stakeholders including senior management;
 - reviewing the strategic risk register and committee minutes;
 - reviewing reports from external agencies (for example external audit) and legislative updates;
 - factors such as changes in staffing, systems and processes; and
 - the Audit Manager's professional judgement.

This approach enables the finite resources of the team to be focussed on areas where it can add value and conforms to the Global Internal Audit Standards in the UK Public Sector.

- 3.1.3 The outcomes from each audit engagement undertaken as part of the annual audit plan underpin the Audit Manager's annual opinion on the Council's internal control environment. This opinion feeds into the Council's Annual Governance Statement.
- 3.1.4 It should be noted that the Global Internal Audit Standards in the UK Public Sector state that

"The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:

- *The impact of any resource limitations on internal audit coverage.*
- *The rationale for not including an assurance engagement in a high-risk area or activity in the plan.*
- *Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.*
- *Limitations on scope or restrictions on access to information."*

The Audit Manager will ensure that the audit plan is regularly reviewed and adjusted as necessary throughout 2025/26. In practice this may mean that audits are added to or removed from the plan, with details included in the quarterly progress reports.

3.2. Resources Available

- 3.2.1 The Audit Team who will deliver the 2025/26 annual audit plan at Blaby District Council consists of the Audit Manager (0.2 FTE), an Internal Auditor (0.8 FTE), an Internal Audit Assistant (0.14 FTE) and an Internal Audit Apprentice (0.33 FTE). An IT audit contractor will carry out the IT audit. Table 1 shows a calculation of the available audit days for 2025/26, this does not include the days for the IT auditor.

Table 1: Resources Available

Available Days	310
Team and Contract Management / Annual Opinion/ Annual Plan/Audit Committees/Progress Reports/External Audit/ Audit related meetings	49
Corporate Meetings/General Admin/ Minutes Review/Regional Audit Groups	9
Available Audit Days	252

3.3. Internal Audit Annual Plan 2025/26

- 3.3.1 The proposed 2025/26 Annual Audit Plan is shown in Table 2 below and the detailed plan is shown in Appendix A. The Plan will be subject to ongoing review to ensure that it remains aligned with the Council's objectives and the risks identified by management and the audit team. Any changes will be reported to the Senior Leadership Team and the Audit and Corporate Governance Committee.

Table 2: 2025/26 Annual Audit Plan

Risk Based Audit Work 2025/26 (see Appendix A)	207
Completion of 2024/25 Outstanding Audits	8
Follow up reviews	7
Advisory – Ad hoc	6
NFI, Fraud	6
Global Internal Audit Standards in the UK Public Sector	9
Stock takes/Strong Room Records	2
Contingency	7
Total Audit Days	252

- 3.3.2 The timings shown within the Internal Audit Annual Plan are estimates based on time taken on previous similar audits and a high-level consideration of the scope and existing arrangements. As part of the set-up process for each audit engagement the scope of the audit will be agreed in detail and a more accurate budget for audit days will be set. A contingency has been included in the plan to allow for variances in planned audit days against actual and for ad-hoc or fraud investigations that may arise during the year. The quarterly progress reports to Audit and Corporate Governance Committee will include a comparison of planned to actual days for each audit undertaken.

3.4 Limitations

- 3.4.1 The matters raised in the audit reports will only be those which come to our attention during internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or all the improvements that may be required. Whilst every care will be taken to ensure that the information contained in audit reports is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained therein. Our work does not provide absolute assurance that material errors, losses or fraud do not exist.

2025/26 INTERNAL AUDIT ANNUAL PLAN

AUDIT AREA	TYPE	TIMING	STRATEGIC THEMES	RISK REGISTER (WHERE APPLICABLE)	CORPORATE SIGNIFICANCE	PLANNED AUDIT DAYS
ICT & TRANSFORMATION						
IT Key Controls	Audit	TBC	5	R017, R018	High	10
Subtotal						10
NEIGHBOURHOOD SERVICES & ASSETS						
Food Waste Project	Advisory	As required	1		High	3
Subtotal						3
ENVIRONMENTAL HEALTH, HOUSING & COMMUNITY SERVICES						
Disabled Facilities Grant Determinations	Grant	Q2	1		Medium	3
Green Strategy	Audit	Q2	2	R021	Medium	10
Home Support Grant	Audit	Q3	1	R130	Medium	5
Licensing (Street Trading)	Audit	Q4	2,4	R008	Medium	1
Subtotal						19
CORPORATE SERVICES & MONITORING OFFICER						
Data Protection	Audit	Q3	All	R008	High	15
Subtotal						15
FINANCE						
Key Financial Systems	Audit	Q3/Q4	All	R008, R160,	High	49
Insurance	Audit	Q2	All	R004	Medium	8
Benefits Subsidy	Advisory	As required	1,5	R004	Medium	5
Subtotal						62
ASSETS & MAJOR PROJECTS						
Community Development	Audit	Q3	1,3		Medium	12
UKSPF	Audit	Q1	3		Medium	8

						Subtotal	20
PLANNING & STRATEGIC GROWTH							
Planning (2 audits)	Audit	Q2 & Q4	2,3	R002	High	30	
						Subtotal	30
CROSS CUTTING							
Culture	Audit	Q1/2	All	R022	High	15	
Fleet Management and Grey Fleet	Audit	Q2	4,5	R011	High	10	
Devolution/ LGR	Advisory	As required	All	R165	High	4	
Procurement and Contract Management	Audit	Q1	All	R008	High	15	
Devolution and LGR Support	Advisory	As required	All		Medium	4	
						Subtotal	48
						Total	207

Key – Strategic Themes 2024-2028

1. Enabling our communities and supporting our vulnerable residents
2. Enhancing and maintaining our natural and built environments
3. Growing and supporting our economy
4. Keeping you safe and healthy
5. Ambitious and well-managed Council, valuing our people