



INTERNAL AUDIT SHARED SERVICE

Blaby District Council

2026/27 Internal Audit Annual Plan

1. INTRODUCTION

- 1.1 The Global Internal Audit Standards (GIAS) and the accompanying *Application Note: Global Internal Audit Standards in the UK Public Sector* require the Chief Audit Executive (Audit Manager) to develop a risk-based internal audit plan that supports the achievement of the organisation's strategic objectives. This Internal Audit Annual Plan for 2026/27 has been prepared in accordance with the GIAS, the UK Application Note, and the CIPFA *Code of Practice for the Governance of Internal Audit in UK Local Government (2025)*.
- 1.2 The plan sets out the audit approach for the year and explains how Internal Audit will continue to provide independent, objective assurance and advisory services designed to add value, assurance and improve the Council's operations. It also confirms the service's commitment to the **Seven Principles of Public Life (Nolan Principles)**, which form an essential part of ethical conduct under the UK Application Note.

2. BACKGROUND

- 2.1 The Council is responsible for maintaining adequate governance, risk management and internal control frameworks. Internal Audit contributes to this by providing independent assurance on the effectiveness of these frameworks and by supporting continuous improvement across the organisation.
- 2.2 Internal Audit's purpose, authority and responsibilities are defined in the Internal Audit Charter. The Charter confirms Internal Audit's unrestricted access to records, personnel, premises and information required to fulfil its duties, consistent with the requirements of the GIAS and the CIPFA Code.
- 2.3 Internal Audit provides both assurance and advisory work. Assurance engagements assess the adequacy and effectiveness of governance, risk management and internal controls. Advisory engagements provide insight and advice intended to enhance systems and processes, ensure that governance arrangements and internal controls are considered and implemented during implementation of changes and risks are appropriately managed. Management remains responsible for ensuring systems operate effectively.
- 2.4 In delivering its work, the Internal Audit function is committed to the IIA Code of Ethics, the Nolan Principles of Public Life, and the ethical expectations of the Global Internal Audit Standards.
- 2.5 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 Internal Audit's overall aim is to provide an independent, objective assurance and advisory service that adds value and supports the Council in achieving its priorities. The Audit Manager has developed a **risk-based** annual audit plan in line with the Global Internal Audit Standards and the UK Application Note.
- 3.1.2 The Audit Manager has produced a risk-based annual audit plan for 2026/27. 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.
- 3.1.3 This ensures that Internal Audit resources are directed where they will have greatest impact and supports the CIPFA Code's requirement for risk-based planning. 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 Public Sector.
- 3.1.4 The outcomes from audit engagements will inform the Audit Manager's annual opinion, which contributes to the Annual Governance Statement.
- 3.1.5 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.”

3.1.6 The Audit Manager will ensure that the audit plan is regularly reviewed and adjusted as necessary throughout 2026/27. 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 Coordination with other Assurance Providers

3.2.1 In accordance with the Global Internal Audit Standards and the UK Application Note, Internal Audit will continue to coordinate its work with other internal and external assurance providers wherever possible to minimise duplication, share intelligence, and strengthen assurance coverage.

3.3 Resources Available

3.3.1 The Internal Audit resource assessment complies with Standard 8.2 of the Global Internal Audit Standards and the CIPFA Code requirement to ensure sufficient and appropriate resources. The total available audit days for 2026/27 have been calculated transparently, taking into account current vacancies in the Internal Audit Assistant and Internal Audit Apprentice posts. A contingency has been built into the plan to mitigate resource risks and ensure delivery of priority work.

3.3.2 The Audit Manager will notify senior management and the Audit and Corporate Governance Committee of any impact arising from resource limitations, in line with GIAS requirements.

Table 1: Resources Available

Available Days	264
Team and Contract Management / Annual Opinion/ Annual Plan/Audit Committees/Progress Reports/External Audit/ Audit related meetings	43
Corporate Meetings/General Admin/ Minutes Review/Regional Audit Groups	8
Available Audit Days	213

3.2. Internal Audit Annual Plan 2026/27

3.3.1 The proposed 2026/27 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: 2026/27 Annual Audit Plan

Risk Based Audit Work 2026/27 (see Appendix A) delivered in house	170
Completion of 2025/26 Outstanding Audits	17
Follow up reviews	6
Advisory – Ad hoc	6
NFI, Fraud	4
Global Internal Audit Standards in the UK Public Sector	7
Stock takes/Strong Room Records	1
Contingency	2
Total Audit Days	213

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.

2026/27 INTERNAL AUDIT ANNUAL PLAN

AUDIT AREA	TYPE	TIMING	STRATEGIC THEMES	RISK REGISTER (WHERE APPLICABLE)	PLANNED AUDIT DAYS
ICT & TRANSFORMATION					
ICT - Governance	Audit	Q3	5	R017, R018	15
ICT - Cyber Security	Audit	External IT Auditor	5	R017, R018	10
Customer Journey/ Experience and Standards	Advisory	Q3	5		12
HR - iTrent system	Advisory	As required	5	R017	2
			Subtotal		39
NEIGHBOURHOOD SERVICES & ASSETS					
Food Waste Service	Audit	Q1	1		8
MOT's	Advisory	As required	5		2
Garden Waste	Audit	Q2	1		2
Whitespace system	Advisory	As required	5	R017	2
Waste Services Follow-up	Advisory	As required	1		2
CCTV - Policy and Process	Advisory	As required	1		2
			Subtotal		18
ENVIRONMENTAL HEALTH, HOUSING & COMMUNITY SERVICES					
Disabled Facilities Grant Determinations	Grant	Q1/2	1		3
Temporary Accommodation	Advisory	As required	1	R019, R071	4
Renter's Rights Preparedness	Advisory	As required	1	R008	3
			Subtotal		10
CORPORATE SERVICES & MONITORING OFFICER					
ModGov System	Advisory	As required	5	R017	2
Building Safety Levy	Advisory	As required	2	R131	2
			Subtotal		4

FINANCE					
Key Financial Systems	Audit	Q3/Q4	All	R004, R008	40
Budget Management	Audit	Q2	All	R004	8
Income Collection	Advisory	As required	All	R004	2
Benefits Subsidy	Advisory	As required	1,5	R004	5
			Subtotal		55
ASSETS & MAJOR PROJECTS					
A Place to Grow	Advisory	As required	1,3		2
UKSPF	Audit	Q1	3		2
			Subtotal		4
PLANNING & STRATEGIC GROWTH					
Planning Enforcement	Audit	Q4	2,3	R002	12
Planning Governance	Audit	Q2	2,3,5	R002	15
Development Management - Pre application Service	Advisory	As required	2,3	R002	2
			Subtotal		29
CROSS CUTTING					
Culture	Audit	Q1/2	All		15
Devolution/ LGR	Advisory	As required	All	LGR Risk Register	6
			Subtotal		21
			Total		180

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