

REPORT TO: Audit and Governance Board

DATE: 18 March 2026

REPORTING OFFICER: Head of Audit and Operational Finance

PORTFOLIO: Corporate Services

SUBJECT: Internal Audit Plan – 2026/27

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 This report seeks the Board’s approval for the planned programme of Internal Audit work for 2026/27.

2.0 RECOMMENDATION:

The Board is requested to review and approve the Annual Internal Audit Plan for 2026/27, ensuring that the plan’s scope and priorities align with the Board’s expectations.

3.0 SUPPORTING INFORMATION

3.1 All local authorities must make proper provision for internal audit in accordance with the Local Government Act 1972 (Section 151) and the Accounts and Audit Regulations 2015. The Regulations require authorities to *“undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”*

3.2 Best practice for internal audit is governed by the Global Internal Audit Standards (GIAS). In line with these Standards, the Chief Audit Executive must create an internal audit plan that supports the organisation’s objectives and is based on a documented assessment of its strategies, objectives, and risks. This assessment must draw on input from the Board and senior management, together with the Chief Audit Executive’s understanding of the organisation’s risk management, control, and governance environment.

3.3 The Internal Audit Plan therefore sets out the proposed programme of audit work for the year ahead and forms a key component of the Council’s wider assurance framework.

3.4 The methodology used to develop the Audit Plan is outlined as follows:

- The plan has been structured to provide sufficient, balanced coverage to enable the Head of Internal Audit to give an annual opinion on the adequacy of the Council’s risk management, control, and governance arrangements.

- It is recognised that full annual coverage of all Council systems, services, and risks is neither practical nor necessary. Internal Audit must therefore balance depth and breadth, focusing on those significant risks where assurance is considered necessary, rather than seeking to audit every high-risk area each year. This approach helps to ensure sufficient overall coverage to support the annual audit opinion.
- Senior management across all directorates have been consulted to identify priority risks, areas of concern, and significant organisational change. Their input forms a key part of the risk assessment.
- Insight gathered from these discussions, together with the Corporate Risk Register, previous audit findings, and other assurance sources, has been used to shape a risk-based programme aligned with organisational priorities.
- Relevant 2025/26 assignments that remain priorities have been carried forward into the 2026/27 Plan with the agreement of the responsible service managers.
- Planned coverage has been agreed with the Council's Section 151 Officer to ensure it supports the discharge of their statutory responsibilities.
- The plan serves as a statement of intent but must remain flexible to accommodate changes in the organisational risk environment and internal audit resources throughout the year.
- Capacity has been allocated within the Audit Plan to respond to management requests for special investigations, consultancy, and other advisory or assurance services.

3.5 When defining the scope of individual assignments, Internal Audit will take account of the Council's assurance framework and Transformation Programme to ensure effort is targeted appropriately.

3.6 The draft Audit Plan for 2026/27 is attached as an appendix. It outlines the role and scope of Internal Audit, how it is resourced and delivered, the reporting arrangements, and the planning methodology adopted. It also includes a detailed list of planned audit engagements for 2026/27, along with the underlying risk rationale for each assignment.

3.7 The 2026/27 Audit Plan comprises 960 planned audit days, based on a forecast staffing establishment of 5.2 FTE. This reflects a reduction of 0.4 FTE from 2025/26 following a planned restructure linked to a previously agreed budget saving proposal.

3.8 Performance against the Audit Plan will be monitored throughout the year, with regular progress reports provided to the Audit and Governance Board. Any significant issues affecting delivery of the plan, or requiring substantial adjustment, will be identified, addressed, and reported to the Board as necessary.

3.9 Internal Audit will liaise with the Council's external auditor, Grant Thornton, as appropriate to minimise potential duplication and ensure efficient use of the overall audit resource.

4.0 **POLICY IMPLICATIONS**

4.1 The delivery of the Audit Plan will help ensure that the policies and procedures established by the Council are implemented effectively and remain appropriate. There are however no direct policy implications arising from this report.

5.0 **FINANCIAL IMPLICATIONS**

5.1 Internal Audit work supports the Council in strengthening its financial control arrangements while also promoting the efficient, effective, and economical use of resources.

5.2 The proposed Internal Audit Plan and the resources needed to deliver it do not result in any additional resource implications for the Council.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Improving Health, Promoting Wellbeing and Supporting Greater Independence**

Internal Audit work supports the delivery of all the Council's priorities by promoting probity, integrity, accountability, efficiency and effective management of public funds.

The Audit Plan has been designed to ensure assurance over the adequacy of measures in place to mitigate risks that could impact the achievement of the Council's priorities.

6.2 **Building a Strong, Sustainable Local Economy**

See 6.1

6.3 **Supporting Children, Young People and Families**

See 6.1

6.4 **Tackling Inequality and Helping Those Who Are Most In Need**

See 6.1

6.5 **Working Towards a Greener Future**

See 6.1

6.6 **Valuing and Appreciating Halton and Our Community**

See 6.1

7.0 **RISK ANALYSIS**

7.1 Internal Audit is a crucial part of the Council's overall internal control system. An effective internal audit service helps to promote best practices and drive improvements in the management of risk.

7.2 The GIAS require that the Internal Audit Plan be dynamic and updated in a timely manner in response to changes in the organisation's business, risks, operations, programmes, systems, controls, and organisational culture. As such, adjustments to the planned work may be necessary throughout the year. Minor amendments to the plan will be agreed with the Director – Finance. Any significant changes, including issues that may affect completion of the plan or require substantial revisions, will be reported to the Board for consideration.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 None

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 None

10.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None