

Title: Internal Audit Plan Development 2025/26

Committee: Audit Committee

Date: 19th November 2024

Author: Chief Internal Auditor

Report number: (Leave blank – DSO will complete)

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1.0 Issue

- 1.1. To advise and consult the Committee on the Internal Audit plan development process for 2025/26.

2.0 Recommendations

- 2.1. The Committee notes and endorses the proposed approach to development of the Internal Audit plan for 2025/26.
- 2.2. The Committee highlights any risk areas where assurances are required during the year ahead to the Chief Internal Auditor by 31st January 2025.

3.0 Background/Options

- 3.1. In setting the annual audit plan, the Public Sector Internal Audit Standards require:
- The audit plan should be developed taking into account the organisation's risk management framework and based upon a risk assessment process undertaken with input from senior management and the Audit Committee.
 - The risk-based plan set out how internal audit's work will identify and address local and national issues and risks;
 - The audit plan should be reviewed and approved by an effective and engaged Audit Committee to confirm that the plan addresses their assurance requirements for the year ahead; and
 - The Chief Internal Auditor should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value and improve the organisation's operations.
- 3.2. The new Global Internal Audit Standards require that the Internal Audit plan must:
- Consider the internal audit mandate and the full range of agreed-to internal audit services;
 - Specify internal audit services that support the evaluation and improvement of the organisation's governance, risk management and control processes;

- Consider coverage of information technology governance, fraud risk, the effectiveness of the organisation’s compliance and ethics programs, and other high-risk areas;
- Identify the necessary human, financial and technological resources necessary to complete the plan; and
- Be dynamic and updated timely in response to changes in the organisation’s business, risk operations, programmes, systems, controls and organisational culture.

3.3. The North Northamptonshire Council Internal Audit service is commissioned to provide 210 audit days to deliver East Cambridgeshire District Council’s annual internal audit plan.

4.0 Arguments/Conclusions

4.1. In order to ensure that the Audit Plan for 2025/26 address the Council’s key risks and adds value to the organisation, it is proposed that the Chief Internal Auditor will identify and prioritise the areas for coverage by:

- a) Reviewing the Council’s Risk Register and Corporate Plan;
- b) Analysing coverage of Internal Audit reviews over the last four years and the assurance opinions provided following each review, to identify any assurance gaps or areas where follow up work would be of value;
- c) Identifying any other sources of assurance for each of the Council’s key risks, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
- d) Identifying any areas of the Audit Universe (a list of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last four years;
- e) Consultation with the Audit Committee to discuss the planning process and areas where Members require assurances from Internal Audit during 2025/26, in the form of this report; and
- f) Meetings with senior management to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.

4.2. All potential audit coverage identified will be risk assessed and prioritised for inclusion in the Audit Plan, in consultation with senior management, based on risk, other sources of assurance available and potential value added from a review.

4.3. The resulting draft Internal Audit Plan will then be presented to the Audit Committee in March 2025 for review and formal approval.

5.0 Additional Implications Assessment

5.1 In the table below, please put Yes or No in each box:

Financial Implications	Legal Implications	Human Resources (HR) Implications
No	No	No

Equality Impact Assessment (EIA)	Carbon Impact Assessment (CIA)	Data Protection Impact Assessment (DPIA)
No	No	No

6.0 Appendices

None

7.0 Background documents

None