

Cotswold District Council

Proposed Internal Audit Plan 2025/26

Internal Audit Planning 2025/26

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2025/26 financial year.

Introduction and Objective of the Audit Plan

Internal audit provides an independent and objective opinion on the Authority's risk management, governance, and control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with senior management, put together a proposed plan of audit work. The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Senior Management Team and Audit Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

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The proposed 2025/26 plan presented in Appendix 1 provides coverage of the Authority's key corporate objectives and risks as well as core areas of recommended coverage.

Internal audit is only one source of assurance and should be considered as such.

Update to Approach

Due to the pace of change within Local Authorities, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning recognises this through a strategic 12 month rolling plan, whereby we have prepared an agile, risk assessed work plan containing key areas of coverage. This approach will ensure we are auditing the right areas, with the correct scope, at the right time.

We will revisit and adjust our programme of work on at least a quarterly basis to ensure alignment with the changing risk profile of the organisation's operations, systems and controls and with regard to sector risks. The regular input of Senior Management and review of the Authority's risk register will be considered in this process. Our 2025/26 audit plan will contain an element of contingency in order that the plan can remain flexible and respond to new and emerging risks as and when they are identified and may include unannounced activity.

The proposed audit plan at Appendix 1 provides coverage of the Authority's key corporate objectives and risks, as well as our core areas of recommended audit activity.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. Internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

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Our documented risk assessment helps to ensure that sufficient and appropriate areas are identified for consideration in our internal audit programme of work.

As above, it is the responsibility of the Authority's Senior Leadership Team, and the Audit Committee to ensure that, with consideration of our risk assessment, the overall programme of work throughout the year contains sufficient and appropriate coverage.

Internal Audit Risk Assessment (updated)

Our 2025/26 internal audit programme of work is based on a documented risk assessment, which SWAP will re-visit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register has been considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Cotswold District Council



It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific Terms of Engagement for the piece of work, which includes the objective and scope for the review.

Core Audit Areas – Areas of Coverage and Brief Scope	Directorate
Publica Controls and Transactional Testing – Annual Audits	
Core Financials – Publica Controls and Transactional Testing <i>A review of the controls operating within Publica in respect of the Core Financial systems:</i> <ul style="list-style-type: none"> • Accounts Payable (Creditors) • Accounts Receivable (Debtors) • Treasury Management • Bank Reconciliation • Payroll • Procurement 	Business Services
Human Resources <ul style="list-style-type: none"> • Human Resources 	Organisational Effectiveness
Revenues and Benefits <i>A review of the controls operating in respect of:</i> <ul style="list-style-type: none"> • Council Tax • National Non-Domestic Rates • Housing Benefit and Council Tax Support <i>Scope to be confirmed</i>	Residents' Services
ICT Audits <i>Audits to be discussed and confirmed with the Chief Technology Officer and ICT Audit and Compliance Manager</i>	ICT
Governance <i>Risk Management</i> <i>Emergency Planning and Business Continuity</i> <i>Freedom of Information and Complaints</i> <i>Equality and Diversity</i> <i>Performance Management</i>	Risk Management and Governance
Regulatory Services <i>A review of either Licensing / Environmental Health</i> <ul style="list-style-type: none"> • Public Protection Income Streams, budget monitoring, reconciliations 	

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Proposed Audit Areas – Areas of Coverage and Brief Scope	Directorate
Council Audits	
Core Financials <ul style="list-style-type: none"> Payroll Strategic Finance 	Corporate Resources
Business Grant Post Payment <i>Head of IA working with CFEU Manager re. recovery of overpayment of grants, Bad Debt information to BEIS</i>	
Data Maturity Assessment <i>Assessment of how the Council manages its data against the Data Maturity Framework</i>	Governance and Development
Wellbeing Support Available to Staff <i>Assessment of support available to staff during transition to Council</i>	Chief Executive
Climate Change <i>Follow-Up of 2023/24 audit and assessment of the Councils' commitment to Carbon Reduction targets / Climate Emergency</i>	
Carbon Reduction <i>Review to assess how carbon data is measured ensuring the Council continues to meet its commitment to carbon reduction.</i>	
Housing Strategy and Enabling	
Household Support Grants <i>Ensure payments made from Government Funding have been allocated / spent in accordance with guidance (Foodbank / Baby Account)</i>	
Planning Performance Agreements <i>Review control and transparency of Planning Performance Agreements</i>	Communities and Place
Planning Guarantee Data <i>Scope TBC</i>	
Compliance with Building Control Safety Regulations <i>Scope TBC – but meeting arranged with HSE for information gathering</i>	
Biodiversity – Compliance for Councils <i>Review to ensure the Council is meeting its obligations in respect of Biodiversity Legislation. Biodiversity Net Gain</i>	
Section 106s <i>Follow-Up of 2023/24 Audits to include review of fess and charges and declarations of interest</i>	

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Preparedness for the switch from Analogue to Digital <i>Ensure preparedness of the Council for services the switch from analogue to digital will affect e.g. lift telephones, fax machines etc</i>	
Property and Estates (Compliance and Health and Safety) <i>Follow-Up of 2023/24 Audits</i>	
S106 Agreements <i>Follow-Up of 2024/25 Audit</i>	
Data Protection / Breaches <i>Follow-Up of 2024/25 Audit</i>	
Human Resources <i>Follow-Up of 2024/25 Audit</i>	
Publica Transition Programme <i>Time allocated to support the Publica Transition Programme and Workstreams</i>	
Programmes and Projects <i>Time allocated to support Council Specific Programmes and Projects</i>	
Proposed audits will be considered, during the year, and discussed with Business Managers, Assistant Directors, CFOs and / or CEOs to confirm scope, timing and if it remains appropriate to undertake the audit. Liaison meetings will also identify any further areas (not included above) that would benefit from an Internal Audit Review. The Audit Plan will be updated, and agreed with CFOs as necessary	
Further requested assurance / advisory / support work	
Other Audit Involvement	
Management <i>Preparation of IA Monitoring Reports and preparation and attendance at Audit and Governance Committee. Annual Audit Planning. Attendance at Governance and Risk Groups. High level programme monitoring. Liaison meetings with CFOs and Management Teams. IA Team Liaison Meetings with Service Managers.</i> Follow-Up Audits <i>Follow-Up of Previous Year's Agreed Actions</i> <i>Follow-Up audit of all High Priority Agreed Actions</i> Specialist Groups	

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IA attendance at specialist groups e.g. Health and Safety Working Group, Procurement and Commissioning

Grant Certification

Review (income and expenditure) and certification of Grants received by the Council ensuring funding requirements have been met (to include Disabled Facilities Grants)

Working with the Counter Fraud and Enforcement Unit

Provision to ensure collaborative working with the CFEU and to ensure control weaknesses, identified during CFEU activity, are being actioned. Regular liaison meetings

Contingency

Provision for new work based on emerging risks and Investigations.