



INTERNAL AUDIT SHARED SERVICE

North West Leicestershire 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 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. 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 2026/2027. The planning process incorporated:

- consultation with senior management and key stakeholders;
- review of the strategic risk register and relevant committee reports;
- consideration of external audit findings, regulatory updates, and emerging risks;
- assessment of organisational changes in systems, staffing and processes;
- professional judgement informed by accumulated knowledge of the Council's control environment.

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.

3.2.2 Three of the Council’s key financial systems (Benefits, Council Tax and NNDR) are provided by the Leicestershire Revenues and Benefits Partnership Assurance reports from the Leicestershire Revenues and Benefits Partnership will be reviewed and relied upon where appropriate. Any barriers to coordination, as required by the Application Note, will be reported to senior management and the Audit and Governance Committee.

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 Governance Committee of any impact arising from resource limitations, in line with GIAS requirements.

Table 1: Resources Available

Available Days	596
Team and Contract Management / Annual Opinion/ Annual Plan/Audit Committees/Progress Reports/External Audit/Audit Reviews	98
Corporate Meetings/General Admin/ Minutes Review/Regional Audit Groups	33
Available Audit Days	465

3.4 Internal Audit Annual Plan 2026/27

3.4.1 The proposed 2026/27 Annual Audit Plan is shown in Table 2 below and the detailed plan is shown in Appendix A. In accordance with the Global Internal Audit Standards, the annual audit plan will be kept under continuous review throughout the year. The Audit Manager will revise the plan to reflect emerging risks, changes in priorities, or resource constraints, and will communicate significant changes to the Corporate Leadership Team and the Audit and Governance Committee.

Table 2: 2026/27 Annual Audit Plan

Risk Based Audit Work 2026/27 (see Appendix A)	339
Completion of 2025/26 Outstanding Audits	51
Follow up reviews	18
Advisory – Ad hoc	4
Global Internal Audit Standards in the Public Sector	17
NFI, RIPA, Fraud	7
Risk Scrutiny	2
Contingency	27
Total Audit Days	465

3.4.2 Three of the Council’s key financial systems (Benefits, Council Tax and NNDR) are provided by the Leicestershire Revenues and Benefits Partnership, and therefore the audits in relation to these systems will be undertaken by the internal auditors at Hinckley and Bosworth Borough Council. The Audit Manager will review the audit reports to take assurance from them.

3.4.3 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 audits days against actual and for ad-hoc or fraud investigations that may arise during the year. The quarterly progress reports to Audit and Governance Committee will include a comparison of planned to actual days for each audit undertaken.

3.5 Limitations

3.5.1 The matters raised in the audit reports will only be those which come to internal audit’s 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. Internal audit 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	COUNCIL PRIORITY AREA	RISK REGISTER (WHERE APPLICABLE)	PLANNED AUDIT DAYS
HOUSING					
Housing Complaints	Audit	Q1	2,4	CR17	15
Housing Regulator	Audit	Q1,2,3,4	2	CR17	15
Mutual Exchanges	Audit	Q4	2	CR17	10
Gas	Audit	Q3	2	CR17	15
Fire Safety and Management	Audit	Q2	2	CR17	10
Responsive Repairs - response times	Audit	Q1	2	CR17	10
Tenant Satisfaction	Audit	Q3	2	CR17	15
Tenant Association Accounts	Advisory/ support	Q1,2,3,4	2	CR17	4
Subtotal					94
COMMUNITY SERVICES					
CCTV	Audit	Q4	2		10
Climate Change	Audit	Q2	3	CR15	8
Food Waste Project Board	Advisory	Q1,2,3,4	2,3	CR8	2
Fleet and Driver Compliance Project Boards	Advisory	Q1,2,3,4	3,4	CR21	2
Licensing Enforcement	Audit	Q2	2		10
Subtotal					32
FINANCE					
Key financial systems	Audit	Q2,3,4	4	CR2	55
Unit 4	Audit	Q2	4	CR2	15
Subtotal					70
LEGAL AND SUPPORT SERVICES					
Committee Admin and Reporting	Audit	Q2	4	CR9	12
Subtotal					12

PLANNING AND REGENERATION					
S106	Advisory	Q3	1	CR8	2
Planning Governance and Decision-making	Audit	Q2	1		12
Subtotal					14
ECONOMIC REGENERATION					
Regeneration Projects	Advisory	Q1,2,3,4	1	CR8	3
Commercial lettings	Audit	Q4	2	CR2	15
UKSPF	Audit	Q1/2	1	CR2	4
Car Parking	Advisory	Q1,2,3,4	2	CR8	2
Subtotal					24
HR AND ORGANISATIONAL DEVELOPMENT					
Expenses	Audit	Q1	4		10
Business Planning and Performance	Audit	Q2	4	CR9	12
Business Continuity	Audit	Q3	4	CR6	15
iTrent - new system	Advisory	Q1,2,3,4	4	CR8	3
Subtotal					40
ICT					
IT Governance	In-house	Q3	4	CR7	15
IT Cloud Service and Third-Party Supplier Management	IT Audit Contractor	TBA	4	CR7	
Subtotal					15
CROSS CUTTING					
LGR	Advisory	Q1,2,3,4	All	CR16	5
Fraud and error	Audit	As required	4	CR10	15
Value for Money	Audit	Q2	4	CR2	15
Legacy Fund	Advisory	Q1,2,3,4	4	CR2	3
Subtotal					38
Total In House Days					339

Key to Priorities

1. Planning & Regeneration
2. Communities & Housing
3. Clean, green & zero carbon
4. A well run council