

<b>Subject</b>	<b>Internal Audit Plan Consultation Paper for 2025/26</b>	<b>Status</b>	For Publication
<b>Report to</b>	<b>Audit and Governance Committee</b>	<b>Date</b>	<b>05/12/2024</b>
<b>Report of</b>	Head of Corporate Assurance		
<b>Equality Impact Assessment</b>	Not Required		
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## 1. Purpose of the Report

- 1.1 The purpose of this paper is to set out the annual internal audit planning process and to consult with the Audit and Governance Committee with regard to potential projects for inclusion in the draft internal audit plan for 2025/26.

## 2. Recommendations

### 2.1 It is recommended that: -

- i) **Members consider the proposed planning process and be satisfied that it is sufficiently robust that it will determine a value-adding internal audit plan, informed by risk and through consultation with appropriate senior management.**
- ii) **Members consider potential projects for consideration in the Internal Audit Annual Plan for 2025/26, all nominations to be passed through the Chair for notification to the Head of Corporate Assurance.**
- iii) **Members acknowledge the professional responsibility of the Head of Corporate Assurance to ultimately determine the plan of internal audit work.**

## 3. Background Information

- 3.1 The annual Internal Audit planning process for 2025/26 has commenced. The following actions will be undertaken during this process: -

- Consideration of the strategic risk register and recorded mitigation actions.
- Consideration of historical and topical issues as well as horizon scanning to attempt to identify any major issues that might affect the controls, risk, or governance of the Authority.
- Consideration of issues to provide assurances to the Assistant Director Resources (Chief Finance Officer) in meeting her statutory responsibilities.
- Consultation with the Senior Management Team responsible for the delivery of services.
- Consultation with the Audit and Governance Committee with responsibility for overseeing delivery of the work of Internal Audit.

- 3.2 The consideration of the areas of work to be included in the Internal Audit Plan will have cognisance of risk and strategic significance. Professional internal audit standards require

audit work to be risk informed and therefore it is important that in the process of audit planning, risks within the area under consideration have been identified by management.

- 3.3 The review of financial systems is completed on a 3-year cyclical basis, unless there is evidence of significant change in the risk profile which may warrant more frequent and detailed coverage. This approach was agreed as part of the annual planning process for 2024/25 with the Assistant Director Resources and will be reviewed again for 2025/26.
- 3.4 A key part of the Internal Audit planning process is to ensure sufficient overall coverage is provided across the Authority to enable the Head of Corporate Assurance to give an annual opinion on the effectiveness of the Authority's control, risk, and governance arrangements. In addition, and where possible, capacity will be provided for advisory support to management.
- 3.5 Irrespective of any resource limitations it is important that the planning process identifies all areas of work that Corporate Assurance (Internal Audit) and management are concerned about and are therefore seeking assurance on. Should the areas requiring assurance extend beyond the resources (and sometimes the capability) of Corporate Assurance, the Audit and Governance Committee and management need to be satisfied that alternative sources of assurance are identified and resourced. Through further consultation the process of allocating indicative audit days is applied to produce a draft plan.
- 3.6 The Audit and Governance Committee is therefore requested to consider key risk and areas of concern where they feel internal audit coverage may be appropriate. In view of the timetable for meetings and eventual agreement of the Annual Plan members are asked to provide the Chair with suggestions for collation and notification to the Head of Corporate Assurance by 31<sup>st</sup> January 2025.
- 3.7 The planning process, whilst focussed during January and February particularly, is a continual process. Reviews of the Plan are undertaken regularly throughout the year to ensure Corporate Assurance (Internal Audit) resources are directed at the most relevant priority areas. As such an indicative Plan will be prepared for consideration by the Committee at the March meeting with revisions and changes to the Plan being incorporated into the quarterly Progress reports.

#### 4. Implications

- 4.1 The proposals outlined in this report have the following implications:

Financial	The cost of the services of the Corporate Assurance (Internal Audit) Team is contained within the budget and is periodically invoiced.
Human Resources	n/a
ICT	n/a
Legal	Section 73 of the Local Government Act 1985 requires the Authority to make arrangements for the proper administration of its financial affairs; and Regulation 6 of the Accounts and Audit Regulations 2015 requires the Authority to maintain an adequate and effective system of Internal Audit of its accounting records and of its system of internal control. This report does not contain any information which is exempt under the Freedom of Information Act 2000.
Procurement	n/a

**Sharon Bradley CMIIA**  
**Head of Corporate Assurance**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
Background papers and other sources of reference include: Internal Audit Charter 2024-26, MK Insight (Audit Management System), Public Sector Internal Audit Standards 2017, Internal Audit plan.	Barnsley Metropolitan Borough Council, Westgate Plaza, Barnsley.