



INTERNAL AUDIT PLAN REPORT 2025/26

WELWYN HATFIELD BOROUGH COUNCIL

AUDIT COMMITTEE
24 MARCH 2025

RECOMMENDATION

Members are recommended to approve the proposed Welwyn Hatfield Borough Council Internal Audit Plan for 2025/26

Members are requested to note the SIAS Internal Audit Strategy and provide any comments prior to approval by the SIAS Board

Contents

1. Introduction and Background

2. Audit Planning Process

2.1 Planning Principles

2.2 Approach to Planning

2.10 Planning Context

2.13 Internal Audit Plan 2025/26

3. Performance Management

3.1 Update Reporting

3.3 Performance Indicators

Appendices

A Proposed Welwyn Hatfield Borough Council Audit Plan
2025/26

B Audit Start Dates Agreed with Management

C Risk Register Mapping to Internal Audit Plan

D Glossary of Terms

E SIAS Internal Audit Strategy

1. Introduction and Background

- 1.1 The purpose of internal audit is to strengthen the Council’s ability to create, protect, and sustain value by providing Members and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
- 1.2 The International Professional Practices Framework (IPPF) organises the authoritative body of knowledge for the professional practice of internal auditing. The IPPF includes Global Internal Audit Standards (GIAS), Topical Requirements (designed to enhance the consistency and quality of internal audit services related to specific audit subjects) and Global Guidance. The Public Sector Internal Audit Standards, which encompassed the mandatory elements of the IPPF, have been replaced by the Application Note Global Internal Audit Standards in the UK Public Sector. Taken together, the GIAS and the Application Note will form the basis of UK public sector internal audit effective from 1 April 2025. The Note states that a professional, independent, and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.
- 1.3 The SIAS Board reviewed the Draft SIAS Internal Audit Strategy in December 2024, and this strategy outlines how SIAS will achieve the purpose of internal audit and ensure ongoing compliance with the GIAS (UK public sector). The Internal Audit Plan Report 2025/26 follows the key principles related to Audit Planning and Resourcing, with the Internal Audit Strategy itself attached as an appendix. The GIAS (UK public sector) includes setting out how SIAS must approach internal audit planning. The specific requirements that SIAS must adhere to are set out below:

Standard	Description
Domain III 6.3	Board and Senior Management Support It is an essential condition for Senior Management and the Audit Committee to approve the internal audit plan.
Domain III 8.1	Board Interaction The Chief Audit Executive (CAE) must provide the Audit Committee with the information needed to conduct its oversight responsibilities. This includes the internal audit plan and subsequent significant revisions.
Domain III 8.2	Resources The CAE, Audit Committee and Senior Management must collaborate to ensure that internal audit has sufficient resources to fulfil the internal audit mandate and achieve the internal audit plan. This should be at least annually, and cover numbers and capability, as well as the impact and remedy of insufficient resources on the internal audit mandate and plan (if applicable).

<p>Domain III 8.3</p>	<p>Quality Amongst the essential conditions in this standard is a requirement for the Audit Committee to review and approve the internal audit functions performance objectives at least annually. This includes its conformance with the Standards, laws and regulations, ability to meet the internal audit mandate, and progress towards completion of the internal audit plan.</p>
<p>Domain IV 9.3</p>	<p>Methodologies The CAE must establish methodologies to guide the internal audit function in a systemic and disciplined manner to implement the internal audit strategy, develop the internal audit plan, and conform with the Standards.</p>
<p>Domain IV 9.4</p>	<p>Internal Audit Plan The CAE must create an internal audit plan that supports the achievement of the council’s objectives. The CAE must base the internal audit plan on a documented assessment of the organisation’s strategies, objectives, and risks. The assessment must be informed by input from the Audit Committee and Senior Management as well as the CAE’s understanding of the organisation’s governance, risk management, and control processes. The assessment must be performed at least annually.</p> <p>The internal audit plan must:</p> <ul style="list-style-type: none"> • 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 council’s governance, risk management, and control processes. • Consider coverage of information technology governance, fraud risk, the effectiveness of the council’s compliance and ethics programs and other high-risk areas. • Identify the necessary human, financial, and technological resources necessary to complete the plan. • Be dynamic and updated timely in response to changes in the council’s business, risk operations, programs systems, controls, and organisational culture. <p>The CAE must review and revise the internal audit plan as necessary and communicate timely to the Audit Committee and Senior Management:</p> <ul style="list-style-type: none"> • 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.

	<ul style="list-style-type: none"> • Conflicting demands for services between major stakeholders, such as high priority requests based upon emerging risks and requests to replace planned assurance engagements with advisory engagements. • Limitations on scope or restrictions on access to information. <p>The CAE must discuss the internal audit plan, including significant interim changes, with the Audit Committee and Senior Management. The plan and significant changes to the plan must be approved by the Audit Committee.</p>
Domain IV 10.1 to 10.3	<p>Financial, Human and Technological Resources Management</p> <p>The CAE must ensure that financial, human and technological resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan.</p> <p>The CAE must communicate with the Audit Committee and Senior Management regarding the appropriateness and sufficiency of the internal audit function’s resources. If the function lacks appropriate and sufficient resources to achieve the internal audit plan, the CAE must determine how to obtain the resources or communicate timely to the Audit Committee and Senior Management the impact of the limitations.</p>
Domain V 13.2	<p>Engagement Risk Assessment</p> <p>To develop an adequate understanding, internal auditors must identify and gather reliable, relevant, and sufficient information regarding the risk assessment supporting the internal audit plan.</p>

- 1.4 The Council’s Internal Audit Plan sets out the programme of internal audit work for the year ahead, and forms part of the Council’s wider assurance framework. It supports the requirement to produce an overall audit opinion or conclusion on the internal control environment of the Council, as well as a judgement on the robustness of risk management and governance arrangements, contained in the CAE’s Annual Opinion Report.
- 1.5 The Shared Internal Audit Service’s (SIAS) Audit Charter was presented to the June 2024 meeting of this Committee, and it shows how the Council and SIAS work together to provide a modern and effective internal audit service. This approach conforms with the requirements of the GIAS (UK public sector). An updated version of the SIAS Internal Audit Charter will be brought to the June 2025 Audit Committee meeting for Member approval.
- 1.6 Section 2 of this report details how SIAS complies with these requirements.

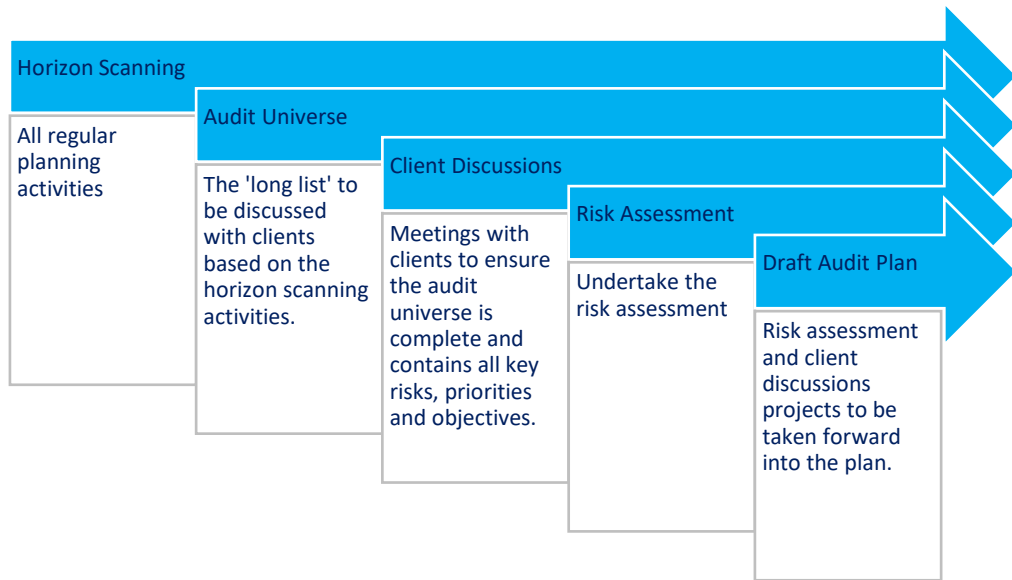
2. **Audit Planning Process**

Planning Principles

- 2.1 SIAS audit planning is underpinned by the following principles:
- a) Focus of assurance effort on the Council's obligations, outcomes and objectives, critical business processes and projects and principal risks. This approach ensures coverage of both strategic and key operational issues.
 - b) Maintenance of an up-to-date awareness of the impact of the external and internal environment on the Council's control arrangements.
 - c) Use of a risk assessment methodology to determine priorities for audit coverage based, as far as possible, on management's view of risk.
 - d) Dialogue and consultation with key stakeholders to ensure an appropriate balance of assurance needs. This approach includes recognition that in a resource-constrained environment, all needs cannot be met.
 - e) Identification of responsibilities where services are delivered in partnership.
 - f) In-built flexibility to ensure that new risks and issues are accommodated as they emerge.
 - g) Capacity to deliver key commitments including governance work.
 - h) Capacity to respond to management requests for assistance with special investigations, consultancy, and other forms of advice.

Approach to Planning

- 2.2 SIAS has developed an approach to annual planning that ensures conformance with the requirements of the GIAS (UK public sector). SIAS applies the following methodology at its partners:



Horizon Scanning and Audit Universe

2.3 SIAS conducts horizon scanning to ensure that it is aware of the key issues and risks locally and nationally as well as the corporate and service objectives of the Council. To do this, SIAS undertakes the following activities:



- 2.4 Following the horizon scanning work, SIAS creates an Audit Universe based on all auditable areas and entities. The Audit Universe forms the basis of discussions with Senior Managers.

Client Discussions

- 2.5 SIAS undertook detailed discussions with senior managers and other key officers within the Council to confirm auditable areas and elicit high level detail of the scope of audits. This process incorporates the following steps to assist in the prioritisation of proposed internal audit projects:

Risk Assessment

Senior Managers and SIAS agree the level of risk associated with an identified auditable area and prioritise this accordingly.

Assurance Mapping / Other sources of Assurance

The results of assurance mapping are consulted and discussed with Senior Managers to determine whether assurance in the auditable area is obtained from other assurance providers e.g., external audit or the Health and Safety Executive. This approach ensures that provision of assurance is not duplicated.

Significance

Senior Managers assess how significant the auditable area is in terms of the achievement of corporate or service objectives and priorities.

Timings

Senior Managers identify when an audit should be undertaken to add most value.

Risk Assessment

- 2.6 The overarching risk that SIAS bases planning against is the risk that audit work completed does not provide sufficient coverage and significance for SIAS to provide a robust annual assurance opinion. Therefore, SIAS risk assesses each auditable area to ensure that their resources are directed appropriately.
- 2.7 The risk assessment behind the development of the 2025/26 Internal Audit Plan was strongly correlated to the Council's Corporate Business Plan, Risk Registers and associated Council monitoring through KPI's and project progress.
- 2.8 SIAS also include considerations of financial materiality, corporate significance, vulnerability and change and management concerns, as part of the risk assessment, including alternative sources of assurance through assurance mapping and the Four Lines (of Defence) model.

Draft Audit Plan

2.9 The results of the risk assessment and discussions with Senior Mangers provides a draft Internal Audit Plan. SIAS has presented this draft plan to Senior Management to seek their views on the assessments completed and to provide any further updates or comments. The outcome is now presented to Members as part of this report for their approval of the Draft Internal Audit Plan 2025/26.

The Planning Context

2.10 The context within which local authorities provide their services remains challenging:

- Demand for services is still rising, driven a range of factors including the growing and ageing population, and challenges in the healthcare system. Combined with the cost of living, local authorities will have to continue to be more innovative and commercially minded.
- Macro-economic uncertainty continues, driven by factors such as inflation, interest rates, energy costs and a range of geo-political tensions. Resulting significant cost pressures and limited government funding make financial planning a key component of managing local government finance challenges.
- Cyber and data security remains a consistent threat to organisations and there are a growing number of local authorities that have been subjected to successful cyber-attacks. Continued vigilance and risk management remain key to protecting local authority assets and services.
- Local authorities are facing significant challenges in relation to human resources and talent management, both in terms of vacancy management, recruitment and retaining staff meaning ability to remain resilient and deliver high quality services may continue to be an increasing concern.
- Many local authorities have declared a Climate & Ecological Emergency and made public commitments relating to carbon reduction and becoming Net Zero.
- Proposals around local government reorganisation and devolution provide both significant challenges and opportunities for local authorities.

2.11 The resultant efficiency and transformation programme that councils are in the process of implementing and developing continues to profoundly alter each organisation's nature. Such developments are accompanied by potentially significant governance, risk management and internal control change.

2.12 The challenge of giving value in this context, means that Internal Audit needs to:

- Meet its core responsibilities, which are to provide appropriate assurance to Members and senior management on the effectiveness of governance, risk management and control arrangements in delivering the achievement of Council objectives.
- Identify and focus its effort on areas of significance and risk, assisting the organisation in managing change effectively, and ensuring that core controls remain effective.
- Give assurance which covers the control environment in relation to new developments, using leading edge audit approaches such as use of technology to achieve ‘whole population testing’ and new insights over sampling or ‘continuous assurance’ where appropriate.
- Retain flexibility in the audit plan and ensure the plan remains current and relevant as the financial year progresses, this is particularly key given the current challenges and risks and the impact this has had on audit activity.

Internal Audit Plan 2025/26

2.13 The draft plan for 2025/26 is included at Appendix A and contains a high-level proposed outline scope for each audit; Appendix B details the agreed start quarters. The number of days purchased in 2025/26 is confirmed as 285 days.

2.14 The table shows the estimated allocation of the total annual number of purchased audit days for the year.

	2025/26 Days	%
Corporate Themes	65	23
Operational Areas	120	42
IT Audits	24	8
Assurance Mapping	8	3
Grants Certification	4	1.5
Strategic Support*	49	17
Contingency	5	2
Completion of 2024/25 Projects	10	3.5
Total allocated days	285	100%

* This covers supporting the Audit Committee, monitoring delivery of the audit plan, recommendations follow up, client liaison, SIAS development and planning for 2026/27

2.15 Any significant audit plan changes agreed between Management and SIAS will be brought before this committee for noting through the usual plan update reporting cycle. The postponement or cancellation of any audits will require approval from the Executive Director (Finance and Transformation). It

should be noted that the Internal Audit Plan is intended to be dynamic and responsive to changing risks and matters arising during the year.

- 2.16 Members will note the inclusion of a provision for the completion of projects that relate to 2024/25. The structure of Internal Audit's programme of work is such that full completion of every aspect of the work in an annual plan is not always possible, especially given the high dependence on client officers during a period where local government faces significant resourcing risks.
- 2.17 The nature of assurance work is such that enough activity must have been completed in the financial year, for the CAE to give an overall opinion on the Authority's internal control, governance and risk management framework. In general, the tasks associated with the total completion of the plan, which includes the finalisation of all reports and negotiation of the appropriate level of agreed mitigations, is not something that adversely affects delivery of the overall opinion. The impact of any outstanding work is monitored closely during the final quarter by SIAS in conjunction with the Section 151 Officer (Executive Director (Finance and Transformation)).

Resources

- 2.18 Standard 8.2 and 10.1 to 10.3 requires SIAS to ensure that financial, human and technological resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan, as well as any limitations of the adequacy of resources.
- 2.19 Achievement of our role and objectives is predicated on the matching of audit needs to available resources through our work allocation processes. This is accomplished through the delivery of internal audit activities by a range of suitably qualified and experienced team members working flexibly in a matrix structure to maximise the value to all our partners and clients. SIAS resources are calculated based on the chargeability of each member of the team and the structure was designed to ensure sufficient chargeability to deliver all plans.
- 2.20 SIAS will utilise our internal audit delivery partner to provide service resilience and access to specialist skills not currently available within the service, or which are not economically viable to recruit and retain on a permanent basis.
- 2.21 SIAS staff are provided training and development across the year to support service delivery at our partners. In addition, SIAS provides funding for professional qualifications and currently has seven team members studying towards their professional qualifications.
- 2.22 The service is adequately resourced to deliver the number of planned internal audit days commissioned by Welwyn Hatfield Borough Council. There are currently no limitations on the adequacy of resources in place to deliver the Welwyn Hatfield Borough Council Internal Audit Plan 2025/26.

- 2.23 The SIAS Internal Audit Strategy at Appendix E contains further information on SIAS resources.

3. Performance Management

Update Reporting

- 3.1 SIAS is required to report its work to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. Progress against the agreed plan for 2025/26 and any proposed changes will be reported to this Committee four times in the 2025/26 civic year.
- 3.2 SIAS will report on the implementation of agreed high and medium priority recommendations as part of the update reporting process.

Performance Indicators

- 3.3 Annual performance indicators were approved at the SIAS Board and are reviewed annually by the Board. Details of the targets set for 2025/26 are shown in the table below. Actual performance against target will be included in the regular update reports to this Committee.

Performance Indicator	Performance Target	Reporting Frequency
1. Public Sector Internal Audit Standards – the service conforms with the standards	Yes	Annually
2. Internal Audit Annual Plan Report – approved by the March Audit Committee or the first meeting of the financial year should a March committee not meet	Yes	Annually
3. Annual Internal Audit Plan Delivery – the percentage of the Annual Internal Audit Plan delivered (measured in audit days)	95%	Quarterly
4. Project Delivery – Percentage of audit plan projects delivered to draft report stage by 31 March 2025	90%	Quarterly
Percentage of audit plan projects delivered to final report stage as reported within the CAE Annual Assurance and Opinion report.	100%	Annually
5. Client Satisfaction* – percentage of client satisfaction questionnaires returned at ‘satisfactory overall’ level (minimum of 39/65 overall)	90%	Quarterly

6. CAE's Annual Assurance Opinion and Report – presented at the first Audit Committee meeting of the financial year	Yes	Annually
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APPENDIX A – PROPOSED WELWYN HATFIELD BOROUGH COUNCIL AUDIT PLAN 2025/26

Internal Audits (209 days)

These internal audits have been confirmed as part of the current planning process and will proceed unless there are other significant matters or risks that arise during the 2025/26 financial year that are prioritised.

<u>Audit Title</u>	<u>Background and Purpose of the Audit</u>	<u>Quarter</u>	<u>Audit Sponsor</u>
Corporate Themes			
Key Performance Indicators	To provide assurance over systems in place for internal performance monitoring and KPI data sources to ensure data is accurate, complete and reliable and that there is appropriate engagement, governance and oversight. Additional assurance could be provided around compliance with regulations, the reporting of performance data and continuous improvement.	1	Assistant Director (Customer Service & Transformation)
Equality Impact Assessments	To provide assurance that equality impact assessments are completed and utilised consistently within the Authority. That there is sufficient guidance and training available to ensure compliance with relevant legislation and that documents are appropriately recorded, monitored and reviewed.	1	Human Resources & Organisational Development Manager
Ombudsman	A review of internal case management including adequate governance processes, training, internal controls, compliance with regulatory requirements, monitoring and using information obtained to support continuous improvement.	2	Assistant Director (Customer Service & Transformation)
Data Governance	To provide assurance over the management of data governance, to include data protection and freedom of information. To provide assurance following policy reviews to ensure compliance with legislation, regulations and policies, training, monitoring and continuous improvement.	4	Assistant Director (Legal and Governance)

APPENDIX A – PROPOSED WELWYN HATFIELD BOROUGH COUNCIL AUDIT PLAN 2025/26

Pre Employment Checks	To provide assurance that there are sufficient systems and controls in place during the recruitment process, these are understood by management and that required activities and checks are undertaken consistently and in a timely manner.	4	Human Resources & Organisational Development Manager
Operational Areas			
Housing Consumer Standards – Preparedness	Consultancy allocation to support the housing consumer standards project. To provide assurance where required, considering specific issues such as the management of risk, validation of processes and to observe that appropriate information is being received, scrutinised and challenged.	1	Executive Director (Resident Services and Climate Change)
Safety Advisory Group	To review the safety advisory group advisory process and event feedback. Also considering associated enforcement action where relevant.	1	Executive Director (Resident Services and Climate Change)
Authorisations for Enforcement Powers	To provide assurance over the process of delegating powers to individual officers and whether this is uniformly applied. To ensure that officers are authorised appropriately and there are clear expectations and governance arrangements in place.	2	Assistant Director (Public Realm)
Voids	A review of the voids process following actions undertaken to address contractor issues. The audit will review the current direction of travel, working arrangements and support the service in reviewing actions taken to reduce the risk of future issues.	2	Assistant Director (Homes and Neighbourhood)
Statutory Compliance – Corporate Buildings	To provide assurance that the Council is meeting its statutory obligations and ensuring statutory compliance of its corporate buildings. The audit will seek to verify that governance arrangements are operating as intended and that associated management information reported to Senior Management and Members is accurate and reflective of work being completed in practice.	3	Assistant Director (Homes and Neighbourhood)
Planning Enforcement	To provide assurance over the approach to planning enforcement, including reviewing governance structures,	3	Assistant Director (Planning)

APPENDIX A – PROPOSED WELWYN HATFIELD BOROUGH COUNCIL AUDIT PLAN 2025/26

	policies and procedures and authorisations. Where possible a benchmarking exercise will be undertaken.		
Waste Regulations Preparedness	To provide an advisory audit over the implementation of the new domestic waste regulations, to ensure that the Council has prepared for and identified appropriate actions, guidance and procedures in line with best practice.	4	Assistant Director (Public Realm)
Key Financial Systems Internal Audits			
Budgetary Control CRA – Year 1	Mapping the various sources of assurance, the associated control framework and identifying any gaps for management attention and action.	1	Assistant Director (Finance)
Creditors CRA – Refresh	Mapping the various sources of assurance, the associated control framework and identifying any gaps for management attention and action.	2	Assistant Director (Finance)
Debtors CRA – Refresh	Mapping the various sources of assurance, the associated control framework and identifying any gaps for management attention and action.	2	Assistant Director (Finance)
Council Tax	To provide assurance over the management of Council Tax, including, the identification of liability, billing, discounts and exemptions, collections, refunds and recovery, enforcement, aged debts and write offs.	3	Assistant Director (Finance)
Business Rates	To provide assurance over the management of Business Rates, including, amendments for records, reliefs and exemptions, collections, refunds, suspense accounts and performance management.	3	Assistant Director (Finance)
Treasury Management CRA – Year 1	Mapping the various sources of assurance, the associated control framework and identifying any gaps for management attention and action.	4	Assistant Director (Finance)
Payroll CRA – Refresh	Mapping the various sources of assurance, the associated control framework and identifying any gaps for management attention and action.	4	Assistant Director (Finance)
IT Internal Audits			

APPENDIX A – PROPOSED WELWYN HATFIELD BOROUGH COUNCIL AUDIT PLAN 2025/26

Hardware Build Process	A review of the hardware build process, to independently review and assess the move to an automated process.	1	Assistant Director (ICT and Digital Services)
Chatbot Maintenance and Quality Assurance	To provide assurance over the management of chatbot use within the Authority. To review measures in place to maintain and quality assure its use to ensure the chatbot operates effectively, securely, in line with appropriate guidance and supports user use.	3	Assistant Director (ICT and Digital Services)

Assurance Mapping (8 days)

<u>Assignment Title</u>	<u>Assignment Background and Purpose</u>	<u>Quarter</u>	<u>Assignment Sponsor</u>
Assurance Mapping	To work with relevant risk owners to continue to develop and update the assurance map of Strategic and Operational risks (Serious or Severe Residual Level) identified. See Glossary of Terms at Appendix D for further detail on assurance mapping.	2	Executive Director (Finance and Transformation)

Grant Claims Certification (4 days)

<u>Grant / Charity Title</u>	<u>Purpose</u>
Social Housing Decarbonisation Fund	To provide certification in relation to the yearly reasonable assurance report.
Miscellaneous Grants	To certify any grant claims required during the year.

APPENDIX A – PROPOSED WELWYN HATFIELD BOROUGH COUNCIL AUDIT PLAN 2025/26

Contingency (5 days)

Available time for ad hoc work as required.

Strategic Support (49 days)

<u>Title</u>	<u>Purpose</u>
Chief Audit Executive Annual Opinion Report	To prepare the Chief Audit Executive Opinion 2024/25.
Audit Committee and Recommendation Follow Up	To provide services linked to the preparation, agreement and presentation of Audit Committee reports, as well as any training requirements. Follow up of all recommendations.
Performance Monitoring	Audit plan monitoring against agreed KPIs.
Client Liaison	Meetings with the S151 Officer, preparation and attendance at the Corporate Governance Group and other groups or meetings as required.
Audit Planning 2026/27	Provision of services to prepare, agree and report the 2026/27 Annual Audit Plan.
SIAS Development	Included to reflect the Council's contribution to developing the partnership.

2024/25 Carry Forward (10 days)

Available time for completion of 2024/25 audits which did not commence or complete as scheduled.

Reserve List

Potential audit topics for elevation into the 2025/26 Internal Audit Plan or future audit plans where cancellations or deferred audits arise.

APPENDIX A – PROPOSED WELWYN HATFIELD BOROUGH COUNCIL AUDIT PLAN 2025/26

Title	Purpose
Benefits CRA – Year 1	Mapping the various sources of assurance, the associated control framework and identifying any gaps for management attention and action.
Business Centres	To provide assurance that processes are being undertaken appropriately, in line with policy and procedures.
Home Adaptations	To provide assurance over the process for providing aids and adaptations, including referrals criteria and the consideration of appropriate housing.
IT Service Desk	To provide assurance over the operation of the IT Service Desk to ensure there are adequate systems in place to be able to receive, capture, prioritise and respond to incidents. Assurance will also be sought in relation to the oversight of performance to ensure continuous improvement and learning.
UK Shared Prosperity Fund (UKSPF)	<p>To ensure that the Council complies with the aims of the UKSPF, including:</p> <ul style="list-style-type: none"> a) Guidance on what to use the funding for, b) Delivery of the fund, c) The funding places will receive, d) Development of an appropriate invest plan process, and e) Measurement of impact. <p>The audit will look to examine any governance, partnerships and investment already in place, review any challenges and learning that has arisen and seek any shared learning that can be obtained from other local authorities.</p>

APPENDIX B – AUDIT START DATES AGREED WITH MANAGEMENT

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Audits	Key Performance Indicators	Creditors CRA – Refresh	Council Tax	Treasury Management – CRA Year 1
	Equality Impact Assessments	Debtors CRA – Refresh	Business Rates	Payroll – CRA Refresh
	Budgetary Control – Year 1	Authorisations for Enforcement Powers	Planning Enforcement	Data Governance
	Safety Advisory Group	Voids	Statutory Compliance – Corporate Buildings	Pre Employment Checks
		Ombudsman	Waste Regulations Preparedness	
IT Audits	Hardware Build Process		Chatbot – Maintenance and QA	
Grants		Social Housing Decarbonisation Fund		
Embedded Assurance	Housing Consumer Standards			
Other	2024/25 Carry Forward			

APPENDIX C – RISK REGISTER / COUNCIL BUSINESS PLAN MAPPING TO INTERNAL AUDIT PLAN

Council Risk Register – Strategic and Operational (Serious or Severe Residual Level) and Council Corporate Business Plan	Internal Audit Coverage 2020/21 – 2024/25	Internal Audit Coverage 2025/26	Assurance Mapping and Other Assurance
Strategic and Operational (Severe Residual Level)			
Damp, Mould and Condensation (Residual Score 20)	Private / Social Housing Damp and Mould 2023/24 Private / Social Housing Damp and Mould Follow Up 2024/25		Assurance map shows sufficient recent Internal Audit coverage and other forms of corporate oversight.
Recruitment and Retention (Regeneration & Economic Development) (Residual Score 20)	Agency Staffing 2024/25		Assurance noted through business operations and corporate oversight.
Management of Council Owned Non-Housing Property Assets (Residual Score 20)			Use of external consultants.
Cyber Security (Residual Score 16)	Cyber - Governance and Culture 2024/25 Remote Working and Multi Factor Authentication 2024/25 Handheld Devices Security 2023/24 Cyber Risk 2022/23 Phishing 2022/23		Assurance map shows sufficient recent Internal Audit coverage and other forms of corporate oversight and independent assurance.
Savings Delivery (Residual Score 16)	Budgetary Control (2023/24 – 2024/25)	Budgetary Control	Assurance noted through business operations and corporate oversight.
Housing Management - Poor Void Management (Residual Score 16)	Housing Maintenance Contract Mobilisation – Process Mapping 2022/23	Voids	
Recruitment and Retention – Homes and Neighbourhoods (Residual Score 16)	Agency Staffing 2024/25		Assurance noted through business operations and corporate oversight

APPENDIX C – RISK REGISTER / COUNCIL BUSINESS PLAN MAPPING TO INTERNAL AUDIT PLAN

Financial Sustainability (Residual Score 15)	Budgetary Control (2023/24 – 2024/25) Creditors (2023/24 – 2024/25) Debtors (2023/24 – 2024/25) Payroll (2023/24 – 2024/25) Housing Benefits 2024/25 Treasury Management 2024/25 Cash and Banking 2024/25 Transformation Board 2024/25 Procurement Cards 2022/23 Revenues – Discounts and Exemptions 2022/23 Breathing Space Debt Recovery 2021/22 Financial Regulations 2021/22 Self Service – Revenues 2021/22	Budgetary Control Creditors Debtors Payroll Treasury Management	
Planning for, and delivering, high quality affordable homes for everyone. (Residual Score 15)	Planning Services Review Recommendations 2022/23 Affordable Housing 2021/22		Adoption of Local Plan October 2024. Consideration for inclusion in 2026/27 Internal Audit Plan.
Management of Council Owned Housing Property Assets (Residual Score 15)	Planned Work and Repairs 2024/25 Housing Maintenance Contract Mobilisation – Process Mapping 2022/23 Housing Maintenance Contract Mobilisation 2022/23 Housing Maintenance - Continuous Assurance 2021/22	Housing Consumer Standards – Preparedness	
Legal Challenge to Planning Decisions (Residual Score 15)	Planning Appeals 2023/24 Planning Services Review Recommendations 2022/23	Planning Enforcement	The judicial review to the adoption of the local plan was successfully defended in 2024.

APPENDIX C – RISK REGISTER / COUNCIL BUSINESS PLAN MAPPING TO INTERNAL AUDIT PLAN

Asset Data (Residual Score 15)	Building Services Asset Management 2021/22		Operational work underway and planned for 2025/26. Consideration for inclusion in 2026/27 Internal Audit Plan.
Planning – Building Control (Residual Score 15)			Building control functions and responsibilities are delivered by Hertfordshire Building Control Ltd.
Strategic and Operational (Serious Residual Level)			
RSH Regulatory Standards (Residual Score 12)	Tenancy Audits 2024/25 White Paper: Preparedness and Tenant Engagement 2023/24 White Paper: Housing Complaints Handling 2023/24	Housing Consumer Standards – Preparedness	Assurance map shows recent Internal Audit coverage and other forms of corporate oversight.
Failure to be prepared for the impacts of climate change. (Residual Score 12)	Climate Emergency 2021/22, 2023/24		Assurance map shows sufficient recent Internal Audit coverage and other forms of corporate oversight.
Supplier Failure (Financial) (Residual Score 12)	Financial Resilience of Suppliers 2021/22		Independent assurance through credit agency monitoring
Collection Risks (Council Tax and Business Rates) (Residual Score 12)	Revenues and Benefits – New Contract 2023/24 Revenues – Discounts and Exemptions 2022/23 Self Service – Revenues 2021/22 Business Recovery 2021/22	Council Tax Business Rates	
Responsive Repairs (Housing) (Residual Score 12)	Planned Work and Repairs 2024/25		
Housing Benefit Subsidy Loss (Residual Score 12)			Independent assurance - External Audit
Repairs (Commercial Properties and Garages) (Residual Score 12)			Assurance noted through business operations and corporate oversight.

APPENDIX C – RISK REGISTER / COUNCIL BUSINESS PLAN MAPPING TO INTERNAL AUDIT PLAN

Equalities and Safeguarding (Residual Score 10)		Equality Impact Assessments	
Data Governance (Residual Score 10)	Performance Indicators 2022/23 Data Breaches 2021/22	Data Governance Performance Indicators	
Failure in Procurement Compliance (Residual Score 10)	Procurement Act Preparedness Part 1 and 2 2024/25 Contract Procurement 2024/25 Procurement Decision Making Process 2022/23		
Fire Safety (Residual Score 10)	Statutory Compliance 2022/23, 2024/25	Statutory Compliance – Corporate Buildings	
Tree Failure (Residual Score 10)	Trees Inspection Programme 2024/25		
Corporate Health and Safety (Residual Score 10)	Corporate Health and Safety - Policy and Procedures 2023/24		Assurance noted through business operations and corporate oversight.

The Corporate Risk Register and Council Corporate Business Plan are closely connected. The version used above was the most recent in place (January 2025) at the time of internal audit planning and is subject to regular review and update that means both the projects, risks and risk scores will have changed over time. The above table considers those strategic and operational risks with a severe or serious residual score.

We note not all risks have internal audit coverage against them. The Council has a large volume of identified risks, and our audit plan is constrained. We will monitor these risks and flexibly adapt our audit plan as appropriate and if required to cover these risks. We also note management's own actions seek to mitigate these risks.

APPENDIX D – GLOSSARY OF TERMS

Assurance mapping

An assurance map is a structured way of identifying and presenting the sources of assurance over how risks are being managed. It is an essential element of mature risk management practices. An assurance map identifies the many sources of assurance that the Leadership team and Audit Committee rely on in their oversight role and can also include information on the frequency and quality of the assurance provided.

The key benefit for the organisation is the effective and efficient use of resources to provide assurance. An assurance map is also a practical tool for CAEs to use on two levels; demonstrating the depth/gaps in assurance and to plan audit activity.

The new Global Internal Audit Standards (Standard 9.5 Co-ordination and Reliance) requires the CAE to co-ordinate with internal and external assurance providers and consider relying on their work. Co-ordination minimises duplication of work, highlights gaps in coverage of key risks and enhances the overall value of all assurance providers. The way to achieve this requirement is with an assurance map.

Control Risk (Self) Assessment (CRSA / CRA)

Control risk (self)-assessment is a process or method by which management and staff work with internal audit to identify and evaluate operational risks and the effectiveness of controls. The objective is to provide reasonable assurance that all business objectives will be met. CRA is an empowering and iterative process that integrates risk management practices and culture into the way staff undertake their jobs.

Data analytics / Data analysis

Data analytics is a multidisciplinary field that employs a wide range of analysis techniques, including maths, statistics, and computer science, to draw insights from data sets. Data analytics is a broad term that includes everything from simply analysing data to theorising ways of collecting data and creating the frameworks needed to store it. Data analysis is a subcategory of data analytics that deals specifically with extracting meaning from data.

The top benefits of using data analytics and data-led audits include greater levels of assurance, greater audit coverage and enhanced efficiency. The top barriers to fully embracing data analytics include lack of skills, lack of resources and lack of time to implement.

Health Check

APPENDIX D – GLOSSARY OF TERMS

It is a focused review that addresses specific areas of interest or concern and provides actionable insights and recommendations. The health check helps to identify and address critical gaps in processes and controls. They can also be 'light touch' reviews to establish and confirm the operation of controls and processes, providing a 'high-level' assurance without the depth of a full, evidence-based internal audit.

Maturity assessment

Used to develop a 'snapshot' view of how an organisation is progressing against a measurable scale in the embedding of a change or transformation.

Project (Embedded) Assurance

Project and programme assurance is a systematic process designed to provide confidence to stakeholders that a project or programme will achieve its objectives and deliver the intended benefits on time and within budget. It involves independent reviews and assessments at various stages to ensure that risks are managed, and the project or programme is on track. Key components of assurance include governance, roles and responsibilities, risk management, quality assurance, financial management and stakeholder engagement.

A typical approach to project management reviews is for the internal audit to join a project board/steering group or team with the inclusion of time in the audit plan for meetings. This often involves a considerable time commitment. There are advantages and disadvantages with this approach:

Advantages

1. It enables internal audit to be at the heart of what is happening and have the opportunity to communicate issues as soon as they are identified. In a fast-moving project this may be the only opportunity.
2. If done well it raises the standing of internal audit within the business as a trusted advisor.
3. You can help ensure appropriate controls are installed and risks are being adequately mitigated, based on a timely appreciation of changing variables as highlighted by the management of the project.

Disadvantages

1. Internal audit involvement can compromise independence. This could apply when internal audit assesses programme/project management or audit the process or activity that was the basis of the project.

APPENDIX D – GLOSSARY OF TERMS

2. Internal audit attendance can also be interpreted as 'audit approval' or audit sign-off'. The implication being that everything is satisfactory and on course.
3. Project board/steering group meetings often include detailed discussion about the adequacy of risk responses and the nature of specific controls to justify the presence of internal audit, but this can slow down, even delay progress. Internal audit may not need to be part of project board meetings to provide advice through their consultancy role.

Internal audit involvement should have a specific assurance or advisory purpose that is discussed, documented and agreed with senior management (as part of the terms of reference). Internal audit should not be part of the management sign-off process or be part of the decision making.

An alternative approach would be for the internal auditor to schedule attendance at one or two selected meetings during the audit of a project to consider specific issues such as the management of risk, validation of progress and to observe that appropriate information is being received, scrutinised and challenged.

SIAS - Internal Audit Strategy 2025/26

Introduction

1. The Shared Internal Audit Service (SIAS) is a shared service created by eight Hertfordshire Councils with the purpose of providing internal audit services to each of the partner Councils, as well as a small number of external customers.
2. This document sets out our Internal Audit Strategy (IAS) for the next 12 months. The strategy includes how the service will support and promote good governance, this underpinned by our Internal Audit Charter (IAC) which describes the purpose, authority, responsibility, and position of the Internal Audit Service within our partner organisations.
3. Internal Audit is a statutory service in the context of the Accounts and Audit (England) Regulations 2015, which state:

‘A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance’.

4. SIAS operate in accordance with the International Professional Practices Framework (IPPF), which includes the Global Internal Audit Standards (UK public sector) (GIAS (UK public sector)), Topical Guidance and Global Guidance. The GIAS (UK public sector) is comprised of five domains, covering:
 - The purpose of internal auditing,
 - Ethics and professionalism,
 - Governing the internal audit function,
 - Managing the internal audit function, and
 - Performing internal audit services.
5. The GIAS (UK public sector) contains a Purpose Statement as follows:

‘Internal auditing strengthens an organisation’s ability to create, protect and sustain value by providing the board and management with independent, risk-based and objective assurance, advice, insight and foresight.’

6. Our partners response to internal audit activity should have the following benefits as outlined in the Purpose Statement:

‘Internal auditing enhances the organisations:

- *Successful achievement of its objectives.*
- *Governance, risk management and internal control processes.*
- *Decision-making and oversight.*
- *Reputation and credibility with its stakeholders.*
- *Ability to serve the public interest.’*

APPENDIX E – SIAS Internal Audit Strategy

Our Mission

7. As a shared service, SIAS aims to:

‘Be a high-quality shared service that seeks to embrace best professional practice, shared learning, develops our workforce, and delivers services in a financially sustainable way.’

8. In delivering this mission statement SIAS will:

- Produce and deliver an Annual Risk Based Internal Audit Plan which complies with the GIAS (UK public sector) and CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government.
- Provide the statutory CAE’s Annual Opinion on each partner’s internal control, risk management framework and corporate governance arrangements.
- Provide progress reports to the Audit Committees / Boards which highlight any significant risk and control deficiencies or potential areas for improvement in the organisation’s governance, risk, and control arrangements; and
- Support and suitably challenge key assumptions and judgments taken by management, through IA’s assurance and advisory services, to ensure they are appropriate and in accordance with relevant legislation, policies and procedures, guidance, and professional standards.
- Continue to progress our grow your own strategy to support the development of high-quality internal audit staff.
- Progress our external business strategy in order build a sustainable and resilient service for the future.

9. To fulfil our aspirations and demonstrate our professionalism, SIAS must conform with the requirements of the GIAS (UK public sector).

Our core values

10. Our core values which underpin the delivery of our mission

Quality: Our overarching value is to successfully blend the elements of quality as fitness for purpose (satisfying needs flexibly and responsively), excellence (achieving the highest standards), transformation (learning, innovation, and continuous improvement), professionalism (conformance with professional standards) and value for money (cost effectiveness). Quality is also about leadership, responsibility and accountability throughout the team and the ability to establish a culture of continuous learning that will challenge us to be our best and inspire and motivate all.

Customer Focus: We put service excellence and customer care at the heart of our internal audit and consultancy work, seeking to provide a service that inspires confidence and trust and meets customer expectations. We are always professional

APPENDIX E – SIAS Internal Audit Strategy

and courteous, take ownership for getting things right and support the service, our colleagues, and our partners / clients to meet their objectives.

Learning and Development: Our staff are our biggest asset; therefore, we support our staff to become professionally qualified, and build knowledge and skills to support their career development, maintain compliance with professional standards and delivery a high-quality service to our partners.

Responsible: We promote a culture of diversity and inclusion in relation to our approaches to recruitment, progression, and reward, within our ways of working, service development and internal audit delivery approach, and in our mutual respect for the people comprising our team.

Accountability: We take ownership of and are accountable for our work, are open to challenging ourselves and will raise concerns and provide solutions to improve the service.

Agile Working: We work with our clients to build trust; develop common understanding and take collective action to improve organisational priorities and outcomes; and be a trusted advisor to strategic management and the Audit Committees / Boards.

Growth: We maximise income generation through the continuous exploration of opportunities.

Our priorities

11. SIAS must continue to deliver a good quality, efficient, resilient and cost-effective service that achieves its annual key performance indicators. Its focus must include the nuts and bolts of sound internal control, risk management and governance frameworks.
12. It is vital though that SIAS continues to remain agile, relevant and timely, while evolving in response to changing stakeholder needs and business objectives. Key areas of focus for SIAS include:
 - Enhancing the business impact of internal auditing and ensuring sufficient focus on business-critical risks,
 - Recruitment, retention, and progression of our grow your own strategy,
 - Building meaningful relationships with key stakeholders,
 - Co-ordination with other assurance providers and the outcomes of their work,
 - Building agility into audit approaches, and
 - Expanding the use of data analytics and assurance mapping amongst other assurance techniques.

Our role and delivery objectives

13. The full regulatory context and scope of internal audit and the Shared Internal Audit Service is set out within our partners Internal Audit Charter, approved annually by their respective Audit Committees.

APPENDIX E – SIAS Internal Audit Strategy

14. Our core internal audit objective is to deliver sufficient, relevant internal audit and consultancy work to support the statutory annual assurance opinion on each of our partners internal control, risk management and corporate governance frameworks. The annual assurance opinion forms a significant part of our partners statutory Annual Governance Statements.
15. Delivery of the internal audit objectives outlined below support the core objective and ensure conformance with professional standards:
 - To develop and deliver dynamic and risk-based Internal Audit Plans that evidence the links to our partners objectives, risks and priorities.
 - To document our internal audit planning process alongside our Internal Audit Plans for Audit Committee approval. The planning process comprises our Planning Principles, Approach to Planning and Planning Context (internal audit environment and local government context and challenges).
 - To ensure that outcomes of assurance activities are reported in a clear and concise manner for all stakeholders, as well as seeking to identify root causes of the issues identified.
 - To support our partners in monitoring the implementation of high and medium priority internal audit recommendations, and other key findings from external inspectors or other assurance providers (e.g., Shared Anti-Fraud Service).
 - To support key transformation and change projects within our partner Council's through assurance and advisory services that provide real time insight into improvement opportunities and good governance.
 - To promote a culture of shared learning on good governance, risk management and internal control, through the sharing of good practice / emerging risks, completion of joint reviews and shared workshops.
 - To work with our partners to ensure that audit methodologies and approaches can adapt to the challenges of new ways of working and still maintain robust independent assurance.
 - To embrace and embed emerging internal audit techniques to ensure that our work can provide appropriate insight and support management in meeting statutory or best practice requirements.
 - To implement and maintain a Quality Assurance and Improvement Program (QAIP) covering planned quality activities to assess the efficiency and effectiveness of the internal audit activity followed by the completion of actions to address opportunities for improvement.

APPENDIX E – SIAS Internal Audit Strategy

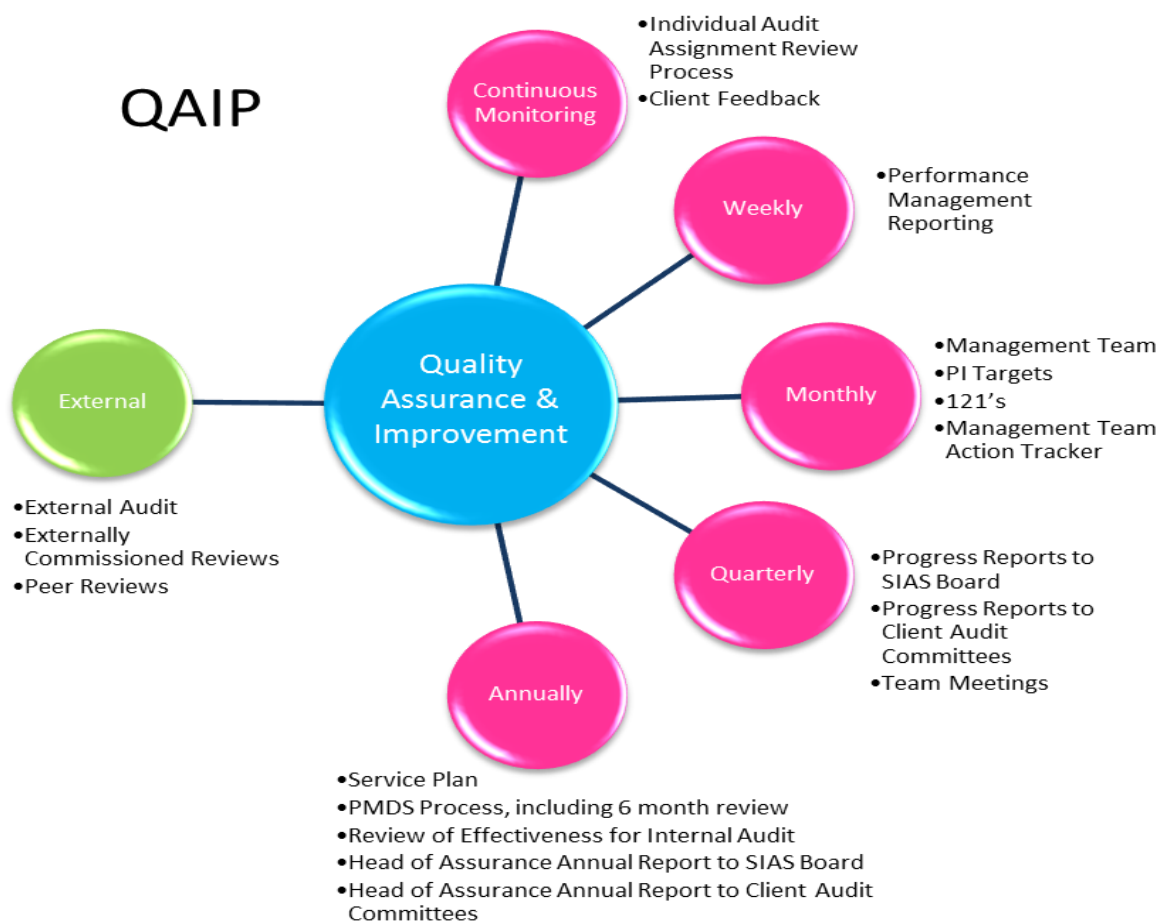
Resources

16. Achievement of our role and objectives is predicated on the matching of audit needs to available human resources through our work allocation processes. This is accomplished through the delivery of internal audit activities by a range of suitably qualified and experienced team members working flexibly in a matrix structure to maximise the value to all our partners and clients.
17. SIAS will utilise our internal audit delivery partner to provide service resilience and access to specialist skills not currently available within the service, or which are not economically viable to recruit and retain on a permanent basis.
18. The service will be adequately resourced to deliver the number of planned internal audit days commissioned through our partners internal audit plans and the requirements of our external clients.
19. Our structure is comprised of 17.2 FTE's; these being aligned to the 3,066 internal audit days that SIAS is commissioned to deliver.
20. Our internal resources are as follows:
 - 0.4 FTE Head of Assurance
 - 1 FTE Head of Shared Service / Client Audit Manager
 - 3.2 FTE Client Audit Managers
 - 1 FTE Assistant Client Audit Manager
 - 2.6 FTE Senior Auditors
 - 5 FTE Auditors
 - 3 FTE Trainee Auditors
 - 1 FTE Business Support & Development Officer
21. Our equivalent available resource from our delivery partner is as follows:
 - BDO (equivalent of 1.75 FTE)
22. The financial resource management of SIAS is described in the Budget and Medium-Term Financial Plan presented annually to the SIAS Board, and includes funding for training, professional development, conferences and other learning opportunities. This is integral to our 'grow your own' strategy. The SIAS Budget also contains funding for audit software and software licenses (technology) and the SIAS Reserve Strategy includes the potential for investment in further internal audit software, based on business need and subject to approval by the Board. These documents should be consulted for further detail.

Measuring quality and performance

23. The GIAS (UK public sector) require SIAS to implement and maintain an ongoing QAIP (see diagram below) based on an annual self-assessment against the standards, supplemented at least every five years by a full independent external assessment.

APPENDIX E – SIAS Internal Audit Strategy



24. The QAIP includes the continuous reporting of key performance indicators (KPIs) and other measures focusing on delivery of internal audit plans for our partners and clients, service quality, productivity, efficiency, conformance with professional standards, value and good governance. These are summarised in the table below:

Performance Indicator	Performance Target / Reporting
Annual Internal Audit Plan Delivery – the percentage of the Annual Internal Audit Plan delivered (excludes contingency)	95%
Project Delivery – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan	90%
Project Completion – delivery of all planned projects to final report stage prior to the publication of the CAE annual assurance statement and opinion.	100%

APPENDIX E – SIAS Internal Audit Strategy

Client Satisfaction - percentage of client satisfaction questionnaires returned at 'satisfactory' level.	90%
Internal Audit Annual Plan Report	Approved by the March Audit Committee or the first meeting of the financial year should a March committee not meet.
CAE's Annual Report (incl. Annual Assurance Opinion)	Presented to the first meeting of each Audit Committee in the new financial year.
Implementation of critical, high, and medium priority (where relevant to partner) recommendations	Presented as part of regular internal audit progress updates to Audit Committee
Conformance with GIAS (UK public sector) – annual self-assessment or five-yearly external assessment; including areas of non-conformance.	Reported annually as part of the CAE's Annual Report.

25. The SIAS teams' individual performance is assessed through regular supervision and performance development and management meetings, as well as the outcomes of quality reviews and customer feedback for each internal audit assignment. Client satisfaction survey responses are reviewed, and improvement actions implemented as necessary.
26. Our co-sourced delivery partners performance is monitored through contractual KPIs and contract management meetings. We will also continue to explore performance measures used both within local government and other sectors.
27. Membership of the Chartered Institute of Internal Auditors Local Authority Heads of Internal Audit Forum, the Home Counties Chief Internal Auditors' Group, Audit Together (strategic alliance of similar shared services) and the Local Authority Chief Auditors' Network are crucial for sharing experiences, keeping up to date with technical and professional developments, benchmarking good practices and ensuring consistency of approach with our peers in the sector.