



AUDIT AND SCRUTINY COMMITTEE

1 MAY 2025

## **INTERNAL AUDIT OPERATIONAL PLAN 2025-26**

Report by Chief Internal Auditor

### **PURPOSE**

- 1.1 The purpose of the Report is to seek approval of the Comhairle's Audit and Scrutiny Committee of the Internal Audit Operational Plan covering period 2025-26.

### **EXECUTIVE SUMMARY**

- 2.1 Public Sector Internal Audit Standards require that Internal Audit produce a risk based Internal Audit plan for each year and that this be approved by the Audit & Scrutiny Committee. The work undertaken allows the formation of the Annual Assurance Statement which seeks to provide assurance over the adequacy and effectiveness of the Comhairle's framework of governance, risk management and control.
- 2.2 The Comhairle's Audit and Scrutiny Committee approved a three-year Strategic Audit Plan covering the period 2023-2026 on the 9 February 2023. It is noted that year three of that Strategic Audit Plan forms the Operational plan for the internal audit section for 2025-26.
- 2.3 Despite the effects of the cyber incident still being felt in the Comhairle as well as the Internal Audit section, we will ensure that work is targeted to ensure sufficient work is undertaken to support and form the annual assurance statement following the end of the 2025-26 year.

### **RECOMMENDATIONS**

- 3.1 **It is recommended that the Audit and Scrutiny Committee:**
  - (a) **Approve the amended Operational Plan for 2025-26; and**

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Appendix:	Internal Audit Operational Audit Plan 2025-26
Background Papers:	Internal Audit Strategic Plan 2023-26

## IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	None
Legal	Public Sector Internal Audit Standards (PSIAS) are mandatory. UK Public Sector PSIAS have been developed to apply across the whole of the public sector in all sectors of government. The PSIAS are based on standards issued by the Institute of Internal Auditors (IIA), with additional requirements and interpretations that make them directly applicable to the UK public sector. The PSIAS are developed jointly by the relevant internal audit standard setters (RIASS) which include local government.
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	<p>A three-year Strategic Audit Plan 2023-2026 was submitted to the Audit and Scrutiny Committee on 9 February 2023. The Operational Plan is reported to the Committee at every series of meetings and any impacts to the delivery of the plan are highlighted.</p> <p>The current complement of one fully qualified member of staff and two trainees are not sufficient to meet the needs of the Comhairle in addressing all High, Medium/High and Medium risk reviews. Any staff absences could impact on delivery of the Plan.</p>
Equalities	None
Corporate Strategy	By complying with the mandatory Public Sector Internal Audit Standards (PSIAS), the Internal Audit team work towards the outcomes to meet strategic priority <i>"4.1.1 The Comhairle has achieved a systematic approach to improving organisational effectiveness that aligns strategy, people and processes and the service provided is high quality, continually improving and cost effective."</i>
Environmental Impact	None
Consultation	<p>The following officers were included in the assessment of risk and formation of the Strategic Audit Plan:</p> <p>All of the Corporate Planning Team and Heads of Service, together with input from information contained within the Corporate Risk Registers.</p>

## **BACKGROUND**

- 5.1 A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. Appropriate plans must be prepared to provide those charged with governance the necessary assurance or otherwise that controls, governance and risk are being effectively managed within the Comhairle.
- 5.2 The Comhairle's internal Audit section have produced a risk based Strategic Internal Audit Plan in consultation with senior management of the Comhairle. In doing so, audit resources are focused on areas of high and medium-high risk based on available resources.

## **DETAIL**

- 6.1 In preparing the Operational Internal Audit Plan for 2025-26, the Chief Internal Auditor has to consider the contents agreed within the approved Strategic Plan but also reflect on any new and conflicting pressures that the organisation is facing, its staff resources and any restrictions that may currently be in force.
- 6.2 The Operational Internal Audit Plan for 2025-26 outlines the areas we plan to review in the year. Although we are beginning to return to normal following the cyber incident, and review work is recovering and we anticipate being able to complete the 2025-26 operational plan as normal, the Trainee Auditor continues to undertake the necessary work to be able to contribute fully towards the Internal Audit planned work. Going forward the terms of references will be required to include specific elements relating to cyber incident recovery and risk assessment sufficiency.

## **CONCLUSION**

- 7.1 The Operational Internal Audit Plan for 2025-26 is provided to acknowledge staffing resources, skills, internal and external pressures, and national/local restrictions and recommends that:
  - Approve the Operational Plan for 2025-26

## **Appendix 1 - Internal Audit Operational Plan 2025/26**

<b>Service</b>	<b>Audit Name</b>	<b>Audit Scope</b>	<b>Planned Days</b>
Chief Executive	Strategy Policy Delivery	Review of governance arrangements and processes	15
Chief Executive	Outcomes of OHCPP and relationship with Charters	Review of outcomes of OHCPP including updated LOIP	15
Chief Executive	Contract audit (All) (Incl. Proj. Man./Quality Assurance/Contracts/PPQs)	High level review of contracts from previous 12 month period	15
Economic & Community Regeneration	Development Management (Planning)	Review of policies and procedures to ensure compliance with legislation	15
Economic & Community Regeneration	Islands Deal	Review of governance arrangements and claims processes	10
Education, Skills & Children's Services	Cleaning Trading Organisation	Cyclical review to ensure assurance of the arrangements and VFM processes	15
Education, Skills & Children's Services	Pre-School Education	Undertake a cyclical review of pre-school education provision in the Comhairle	20
Education, Skills & Children's Services	Children's Services	Review of provider contract services and/or other areas of note within the service	15
Education, Skills & Children's Services	Library & Information Services	Review of service including VFM	15
Education, Skills & Children's Services	Supply Teaching & Virtual Teaching	High level review of Supply and Virtual teaching	10
Health & Social Care Partnership	Adult Services – (learning disability; day services and Ardseileach Core and Cluster)	Review of management and governance, including policies, procedures, training and protocols	20

Service	Audit Name	Audit Scope	Planned Days
Strategic Finance	Accounts Receivable (Debtors) & Debt Recovery Policy - all debt	High level review of Accounts Receivable function and controls processes including transaction testing, with emphasis on improvements and updates following cyber-attack	20
Strategic Finance	Housing Benefit	High level review of Housing Benefits function and controls processes including transaction testing, with emphasis on improvements and updates following cyber-attack	20
Strategic Finance	Council Tax	High level review of Council Tax function and controls processes including transaction testing	15
Strategic Finance	Faire/Out of hours services	Review of the out of hours service operated by Faire, as well as a high level review of the Faire service itself	20
Assets & Infrastructure	Subsidies - Bus and air services (Public transport)	VFM review	10
Assets & Infrastructure	Bennadrove Landfill Project - New Cell	Review of process and procedures relating to the expansion of the Bennadrove Landfill Cell	20
Assets & Infrastructure	Roads maintenance, Bridges & Roads TO	Review of policies and procedures, including demonstration of VFM within Roads Maintenance section	20
Assets & Infrastructure	Corporate Asset Management Plan	Cyclical review to ensure assurance of the arrangements and processes	15
Assets & Infrastructure	Property Maintenance Delivery – including access management	Review of the PMD service	15
Assets & Infrastructure	Property Transformation	Review of work being undertaken in relation to Comhairle properties	15
Assets & Infrastructure	Recycling & Waste Processing	Review of service in relation to policies, priorities, risk assessments and delivery, and also the arrangements for the collection of income for Comhairle waste management	15
Corporate	Budget Setting & Long/Medium Term Financial Planning	Review of processes in relation to budget setting processes and the development of financial plans	15
Total Days			365