

Report to:	Cabinet
Date:	22 April 2025
By:	Chief Operating Officer
Title of report:	Internal Audit Strategy and 2025/26 Annual Audit Plan
Purpose of report:	To present the Council's Internal Audit Strategy and 2025/26 Annual Plan

RECOMMENDATION:

Cabinet is recommended to review and endorse the Council's Internal Audit Strategy and 2025/26 Annual Audit Plan.

1. Background

1.1 The Council's Internal Audit Strategy and Annual Plan 2025/26 (Appendix 1 and Appendix 2) sets out how the Council will meet its statutory requirements for internal audit, as defined within the Accounts and Audit Regulations 2015. The Internal Audit Strategy details the priorities for delivering an effective internal audit and counter fraud service, together with details of the quality assurance and performance management arrangements for the coming year. The Internal Audit Plan for 2025/26 is a risk-based programme of work, as set out at Appendix 1, developed in consultation with departments. A workshop was also held with members of the Audit Committee in January and comments made have been fed into the planning process.

1.2 The plan focusses primarily on strategic risks and issues, key priority projects and programmes, priority service reviews, core assurance areas (such as key financial systems) and grant claims, with the remainder of the direct audit days earmarked as emerging risks/contingency. In terms of key financial systems, these are subject to a cyclical programme of audits. In 2025/26, this work is expected to be more significant given the planned go-live of the Oracle Enterprise Resource Planning (ERP) solution in April 2025 and the extent to which so many key financial processes are dependent on this system.

1.3 The plan remains as flexible as possible in accordance with professional standards. One driver for this is the changing nature of the local government landscape, especially with new legislation associated with Local Government Reorganisation (LGR) and Devolution. Given the likelihood of the plan needing to flex within the year ahead, internal audit have identified, at the end of Appendix 2, additional audit assignments that may, on a risk-prioritised basis, be drawn into the internal audit workload if planned audits are postponed or cancelled.

Supporting Information

2.1 The Accounts and Audit Regulations contain the expectation that Internal Audit will take into account public sector internal audit standards or guidance. It is therefore important to note that, with effect from 1 April 2025, the current Public Sector Internal Audit Standards (PSIAS) will be replaced by new Global Internal Auditing Standards (GIAS). As explained in the Strategy, although the introduction of these new Standards is likely to require some updating of internal documentation, such as the Internal Audit Charter, the impact on the approach to internal audit activities and methodologies is not considered to be significant. Work is currently underway to complete a self-assessment against the new GIAS, details of which will be reported to Corporate Management Team (CMT) and Audit Committee during 2025/26, along with actions arising from it.

2.2 The Internal Audit Charter sets out the scope and responsibility of internal audit.

3. Conclusions and Reasons for Recommendations

3.1 Cabinet is asked to review and endorse the Internal Audit Strategy and 2025/26 Annual Audit Plan which was endorsed by the Audit Committee at its meeting on 28 March 2025.

ROS PARKER
Chief Operating Officer

Contact Officers: Russell Banks
Tel No: 07824 362739
Email: Russell.banks@eastsussex.gov.uk