

How is Internal Audit Plan coverage determined?

Briefing for Audit & Governance Committee
27 November 2025

Why have an Internal Audit Plan?

- Meet purpose, aims & objectives of Audit Charter & Mandate:

The purpose of the Internal Audit function is to strengthen BCP Council's ability to create, protect, and sustain value by providing Audit & Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

- Support Chief Auditor's Annual Statement
- Facilitate A&G Committee (the Board) fulfilling its Terms of Reference
- Provide key stakeholders with assurance
- Compliance with professional standards & guidance
- Compliance with internal / legislative requirements



Audit Plan Development Overview

Figure 1: Internal Audit Plan Development Cycle



“Comprehensive **risk-based planning** enables internal audit functions to properly align and focus **limited resources** on producing insightful, proactive, and future-focused **assurance** and advice on an organization’s **most pressing issues**.”

Taken from “Developing a Risk-Based Internal Audit Plan” IIA Global Practice Guide 2025

- Iterative process / cycle
- Dynamic audit plan
- Coordinate with Other Providers
 - Internal (assurance framework)
 - External (e.g external audit, CQC, Ofsted)
- Overview of the processes
 - Role of professional judgement
 - A&G reports – What? Sufficient?

**Taken from “Developing a Risk-Based Internal Audit Plan”
IIA Global Practice Guide 2025*

High Level Audit Plan

Audit Activity	Detail
Core Audit & Assurance Work	<ul style="list-style-type: none"> High level risks; Key financial systems; Key assurance functions; Counter Fraud risks; Schools
	<ul style="list-style-type: none"> Audit planning, Advice, Recommendation Follow ups
Other Audit Work – including:	<ul style="list-style-type: none"> Investigations – fraud/management Grant Certification work Financial Regulations compliance
Corporate Assurance Work	<ul style="list-style-type: none"> Corporate Fraud – includes specialist checks & fraud referrals Early Education Funding audits – assurance on funds to providers Other – includes Charter Trustees audits and Ill Health Pension reviews
Governance Work – including:	<ul style="list-style-type: none"> Corporate management & liaison – inc external auditors Member liaison – mainly A&G Committee preparation & attendance Annual Governance Statement – preparation, production & monitoring
IA Service Management work	<ul style="list-style-type: none"> Team meetings & 1:1s Audit Development work Team Performance Management
Non-Productive	<ul style="list-style-type: none"> Annual leave, training, performance reviews

Estimate Resources

- Limited resources (*12.95 fte inc CIA*) – how allocate?
- Produce High Level Audit Plan annually
- DCIAs* consider:
 - Professional / internal requirements
 - Previous performance figures
 - Anticipated changes – e.g. budget, training, service changes
- Challenged by CIA – sufficient to deliver service?
- *New* Consultation with Senior Management (Statutory Officer Group)
- Brought to A&G annually in Planning Consultation report (Appendix 2)
- Reviewed & updated – reported to A&G quarterly

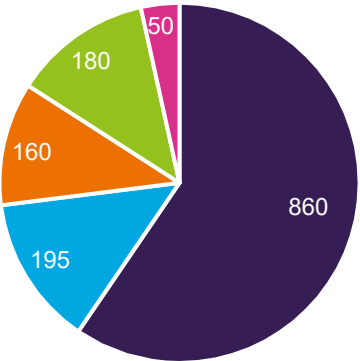
*DCIAs – Deputy Chief Internal Auditors; CIA – Chief Internal Auditor

Core Audit Plan

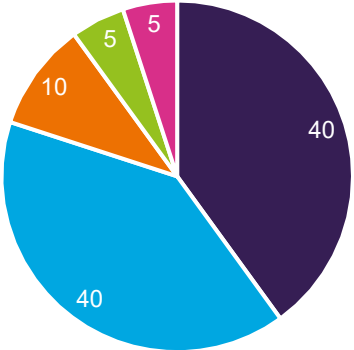
Approximately 100 audits annually from audit universe (approx. 650*)

2025/26 Audit Plan – approx. figures	No. of Days	% Time	No. of Audits	% Audits
High Level Risks	860	60	40	40
Key Assurance Functions	195	15	40	40
Key Financial Systems	160	10	10	10
Counter Fraud	180	10	5	5
Schools	50	5	5	5
Total	1,445	100	100	100

Number of Days



Number of Audits



- High Level Risks
- Key Assurance Functions
- Key Financial Systems
- Counter Fraud
- Schools

*all figures rounded to nearest 5

‘Understanding the Organisation’ - the Audit Universe

What is it?

- List of all potentially auditable units at BCP Council (currently circa 650)

How is it produced?

- Information sources (next slide - Appendix 3)
- Key corporate documents (Corporate Strategy, Risk Registers, Service Information)
- Requirements of Audit Charter / Mandate / GIAS, inc. IT governance, fraud, compliance and ethics
- Experienced Audit Managers and reviewed by DCIAs
- Updated annually but an iterative process
- Audit Management System (AMS) and Audit Manual aids consistent approach
- Sense-checked with Service Directors, Directors in audit plan discussions & audits (*‘Propose & Solicit Feedback’*)
- *New* AMS reports aid DCIA review (e.g. duplicates, inclusion risks) (*‘Propose & Solicit Feedback’*)
- *New* Report showing inclusion of corporate risks to SOG and A&G annually (*‘Propose & Solicit Feedback’*)

Sources of Information for the Audit Plan

- Used for both high level audit plan and planning for individual assignments
- Not all sources will be relevant/used for all areas



Core Audit Plan - High Level Risks

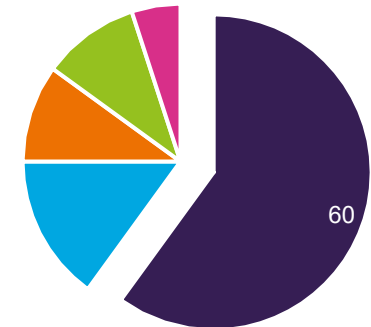
How selected?

- Audit risk assessment of units in Audit Universe ('Identify, assess, prioritise risk')
- Likelihood x Impact = audit risk score (High / Medium / Low)
- Proposed audit plan compiled after consideration of:
 - Audit risk score
 - Date last audited
 - Available resource
 - Coverage by other assurance bodies e.g. Ofsted, CQC
 - Coverage across organisation / directorates (Appendix 4)

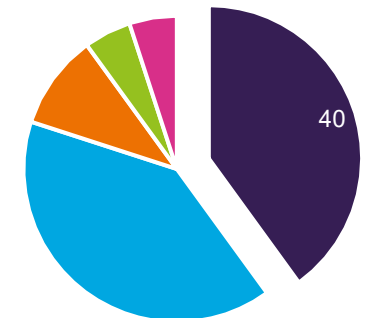
How do we ensure plan coverage is appropriate? - As per Audit Universe PLUS:

- *New* Use of AMS reports by DCIAs to review coverage of high audit risk scores
- 'Propose & Solicit Feedback':
- Consultations with Service / Directors Consultation
- *New* Consultation with SOG on Core Audit Plan (Appendix 4) and Proposed Annual Audit Plan (Appendix 5)
- Core Audit Plan (Appendix 4) brought to A&G annually in Planning Consultation report
- *New* Proposed Annual Audit Plan (Appendix 5) to be brought to A&G annually (previously received quarterly proposed plans)

Percentage Plan Time



Percentage of Audits



- High Level Risks
- Key Assurance Functions
- Key Financial Systems
- Counter Fraud
- Schools

Key Assurance Functions (KAF)

Key Assurance Functions:

- Support the Council's overall governance, risk management and control environment - identified in **Assurance Framework** (Appendix 6)
- Audit both 'core' arrangements (i.e. corporate oversight) & arrangements in services/directorates 'Service KAFs'

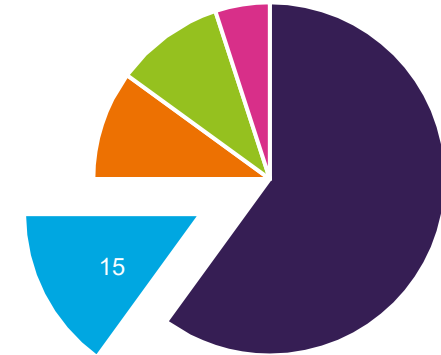
How selected?

- Assurance Framework reviewed & updated annually (e.g. 'Ethics' as per GIAS)
- KAF risk areas identified & risk assessed - 'core' & service/directorate
- 'Core' is audited annually - scope and resource determined by risk
- 'Service' KAFs – frequency determined by risk / rolling basis

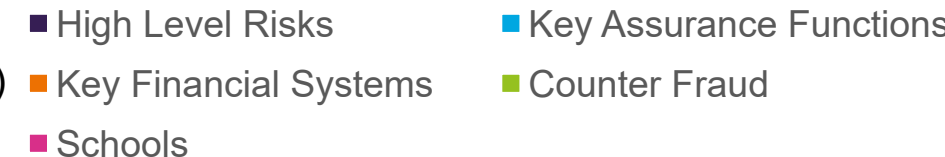
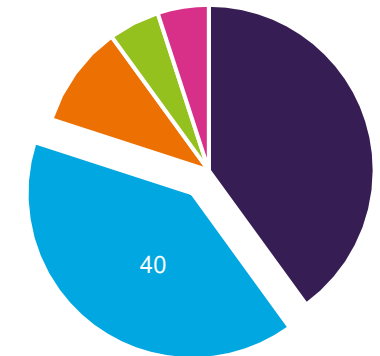
How do we ensure plan coverage is appropriate? As per Audit Universe & High Level Risks PLUS:

- Assurance Framework brought to A&G Committee annually (Appendix 6)

Percentage Plan Time



Percentage of Audits



Key Financial Systems

Key Financial Systems – ten key financial systems audited annually

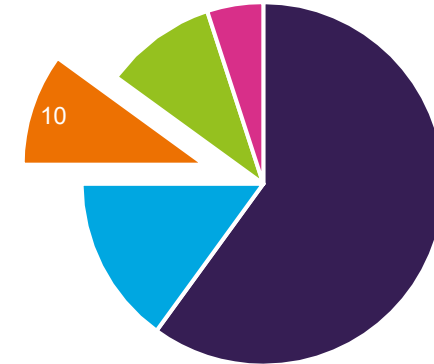
How Selected?

- All key systems which receive income, make expenditure and manage financial affairs
- Included in Audit Universe & audit risk assessed
- Audited annually, with the scope and resource determined by risk
- Other smaller system (e.g. Bereavement income system) included in Audit Universe – reviewed on risk basis

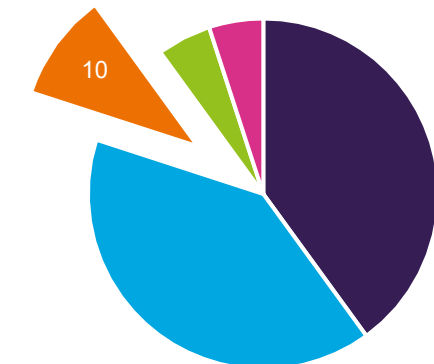
How do we ensure plan coverage is appropriate?

- As per Audit Universe & High Level Risks

Percentage Plan Time



Percentage of Audits



- High Level Risks
- Key Assurance Functions
- Key Financial Systems
- Counter Fraud
- Schools

Counter Fraud

Counter Fraud – proactive reviews for fraud prevention & detection

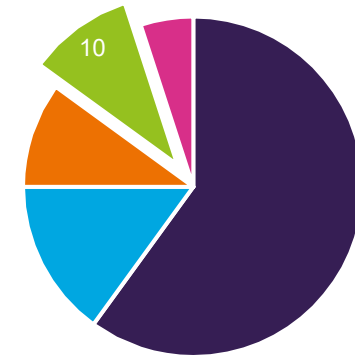
How selected?

- Identified & risk assessed as part of Corporate Fraud Risk Register (Appendix 7)
- ‘High’ risk areas audited more frequently;
- ‘Low’ risks areas also considered periodically as deterrent

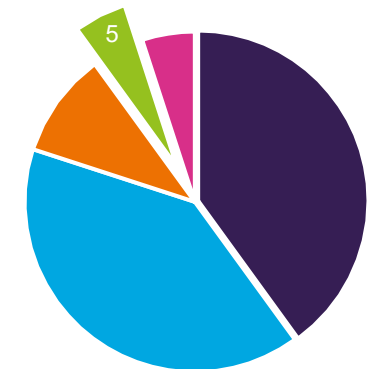
How do we ensure plan coverage is appropriate?– As per Audit Universe & High Level Risks PLUS:

- Input from Council’s fraud specialist
- Counter Fraud Audit Plan brought annually to A&G Committee (Appendix 7)

Percentage Plan Time



Percentage of Audits



Schools

Schools

- Maintained schools (currently 14) audited on a 3-year rolling basis
- Requirement to submit annual assurance to Department for Education confirming system of audit for schools in place that gives adequate assurance over financial management and regularity / propriety of spending

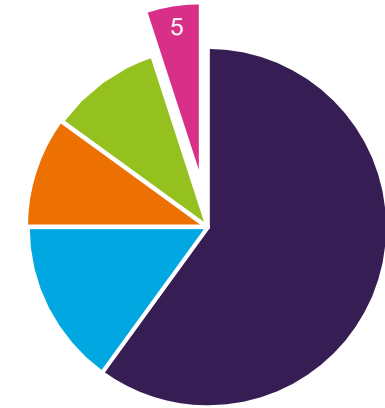
How selected?

- Maintained schools part of Audit Universe & audit risk assessed - generally 'medium' risk
- Recent issues with deficits mean some are now 'high' – to be considered for more frequent review

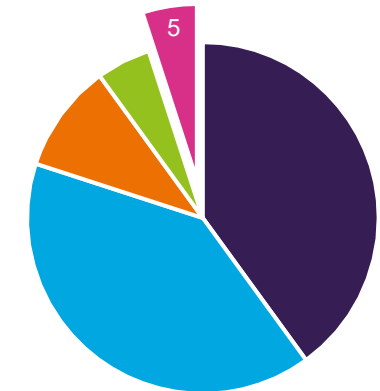
How do we ensure plan coverage is appropriate? As per Audit Universe & High Level Risks PLUS:

- “Informal benchmarking” – 3/5 years / thematic is common – satisfied frequency is appropriate (key staff dependency, lack of segregation of duty, use non-Council systems)

Percentage Plan Time



Percentage of Audits



- High Level Risks
- Key Assurance Functions
- Key Financial Systems
- Counter Fraud
- Schools

To Conclude...

- Compliance with Global Internal Audit Standards
 - Annual internal assessment against GIAS (internal)
 - External assessment against GIAS – every 5 years due 2026/27
- A&G Committee input can comment / challenge:
 - Internal Audit Charter, Mandate & Strategy (annually)
 - Internal Audit plan – two audit plan reports (January/March) and at quarterly updates
 - Request addition / different / less supporting data – reports & data are available
- (New) Requirement to consult with senior management
- Any questions?