

Appendix A



Internal Audit

Annual Audit Plan

2026/27

“Providing assurance on the management of risks”

1. Introduction and background

- 1.1 The Global Internal Audit Standards (GIAS) require the Head of Internal Audit to “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals.”
 - 1.2 The GIAS note that the internal audit plan should incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter.
 - 1.3 The audit plan of work provides the Council with objective opinions on the effectiveness of the organisation’s risk management, control and governance arrangements. These opinions are a key element of the evidence to inform:
 - The Annual Report and Head of Audit Opinion; and
 - The Annual Governance Statement.
 - 1.4 The internal audit plan of work for 2026/27 aims to support the Council in making best use of resources and the assets available and takes into account strategic risks.
 - 1.5 The achievement of the Council’s corporate objectives requires all areas of the Council to work effectively and efficiently in its use of resources whilst demonstrating transparent governance arrangements and effective arrangements for risk management.
 - 1.6 The purpose of this document is to put forward a plan that provides a robust basis for internal audit work whilst acknowledging that we must retain sufficient flexibility to allow us to react to changes in the risk environment. The plan sets out a series of risk-based reviews that will support the Council to achieve its objectives.
 - 1.7 This document sets out the Internal Audit Plan 2026/27 for Bury Council. These services are provided by the Internal Audit Service, who are within the Fraud, Audit, Insurance and Risk Team, of Corporate Core - Finance Directorate. This document complements the Audit Strategy, Audit Charter and the Council’s Risk Management Framework. In accordance with current best practice the role of the Audit Committee is to review and approve the internal audit plan.
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2. Audit Plan 2026/27

- 2.1 To ensure the best use of limited resources, audit work needs to be carefully planned.

We have sought to align our work with the Council’s risk base this year, by liaising with senior management and taking into account:

- the overall environment in which the Council has to operate
 - its aims, strategies, key objectives, associated risks and
 - risk management processes.
- 2.2 Our plan also takes into account those topics which Executive Directors, Directors, Assistant Directors and Heads of Service have concerns about, have not recently or never been audited, feature in the corporate risk register or have received a limited opinion when last audited.
- 2.3 We continually review our training and development plan to ensure that auditors have access to various professional networking meetings, which highlight the wider issues affecting public sector internal audit and need to be reflected in the programme of work.

General context and key themes

- 2.4 Several continuing influences on the Council have also influenced our plan, including:
- the requirement for the highest levels of corporate governance.
 - changes in the operating environment of the Council; in particular:
 - the Council's continued transformation of services
 - the continued changes arising from the funding constraints the Council faces
 - internal audit's cumulative knowledge of the Council and national developments; and
 - the results of investigations and counter fraud initiatives.
- 2.5 Transformation of services throughout the Council continues to result in significant changes to the control framework, and risks can increase as experienced employees leave the organisation and new and innovative ways of working are developed. We need to be aware of the challenges that face the Council and maintain awareness of these risks. The audit plan has been developed to provide assurance that basic governance and control arrangements continue to operate effectively, minimising the risks of misappropriation, loss and error.
- 2.6 We also recognise that in the production and implementation of our plan we need to recognise other sources of assurance that the Council receives and co-ordinate our work accordingly:
- dovetail our work with that of other independent assurers, including the external auditor.
 - ensure that we continue to provide assurance on the core financial systems and processes are operating as intended; and
 - provide support to the Council in producing its Annual Governance Statement (AGS).

- 2.7 Our primary customers remain the Chief Executive, Executive Directors, Directors and the Audit Committee but we will take into account the views of other managers when refining the scope of audits and will accommodate them as long as requests do not divert us from addressing the core scope as agreed with the Audit Committee.
- 2.8 Further significant changes in processes and policies are likely during the coming year, and internal audit will need to support this work and provide advice on the governance, risk management and control implications of the changes. Whilst providing advice is good practice and an effective use of resources sufficient audits are required across the Council's risk profile, in order to deliver the annual "Head of Audit" opinion.

Delivering the Plan

- 2.9 The outputs from our plan fall into two main areas:
- Assurance: Audits providing an 'assurance opinion' on the design and effectiveness of the internal control framework over a stated period.
 - Advice/Consultancy: Audits in respect of specific requests from the Council that aim to improve governance, risk management and control.
- 2.10 Based upon discussions with senior managers and our professional judgement, an estimated number of days have been allocated to each potential topic.
- 2.11 The outline plan in Appendix B shows those topics that we are planning to audit. The plan takes in account the resources available within the audit service, plus the outcomes from the audit planning meetings held with Senior Management.
- 2.12 The main areas of outputs requiring assurance are summarised below under the broad headings of Corporate Governance and Key Business systems:

Corporate Governance:

- Governance Arrangements.
- Framework of Assurance and AGS.
- Information Governance including GDPR and
- Risk Management.

Key Business Systems:

- Operational systems and services.
- Fundamental Financial systems.
- Information Management and Technology.
- Procurement, Capital Schemes and Contracts; and
- Projects and Transformation.

Other Risk Areas:

2.13 The Council may request our input into specific areas of risk where our assurance or assistance has been deemed necessary. The outcomes from such work will not normally be used to inform the Head of Internal Audit opinion but will be brought to the Council's attention as requiring disclosure in the AGS, if the outcome is sufficiently material.

The following areas are also included in our plan:

Other Outputs:

- Grant Audits: Providing assurance as required supporting grant claims or substantiating the use of funding.
- Follow-ups: Resources to ensure that previously agreed recommendations have been implemented as planned.
- Contingency for reactive work: This allows us to accommodate audit assignments which could not have been reasonably foreseen and to react to the transformation of services.
- Contingency for Whistleblowing reports and investigations: This allows us to accommodate enquiries and investigations received via the various Whistleblowing streams into the Council. In addition, ad-hoc investigations may be requested by Management.
- Advice and Guidance: Provided by attendance at working groups; transformation meetings; or by working with managers and staff to develop the control environment.
- Audit Planning and Support: This includes support to the Audit Committee; Members Assurance Group, Governance and Assurance Board, Finance Transformation Board, Procurement Continuous Improvement Group, meetings with the Director of Finance (S151) and other senior managers; collaboration with other councils, general advice; and the Head of Internal Audit Opinion.

Review of Information & Communication Technology (ICT):

- Specialist ICT Auditors will undertake reviews of ICT systems and ICT projects. This element of the plan will be informed by the ICT Strategy, the work required for Information Governance and any changes arising from national ICT developments.

Establishments, including Schools:

- The Plan for 2026/27 includes reviews of individual establishments selected from maintained Bury's Schools.

Fraud, Bribery and Corruption:

- Internal Auditors are alert to potential indicators of fraud and corruption when evaluating controls and the management of risk and will report on any concerns that need addressing.
- The Internal Audit team can undertake fact-finding investigations and provide specialist support to Investigating Officers in potential cases of fraud, bribery and corruption or where their audit skills are required.
- The work of Internal Audit is supported by the Fraud Team. Their role is to investigate potential frauds in council tax support, council tax discount and business rates systems, which remain the responsibility of the Council. The team has also extended investigative work into other areas such as direct payments and tenancy fraud. A separate counter fraud plan of work has been developed for 2026/27.

2.14 After the potential areas have been prioritised, the available days are matched against these risk areas. There will always be some potential areas that fall outside of the Audit Plan due to a lack of audit resources / available days. Appendix C demonstrates the areas identified in the planning meetings and through Auditor knowledge, which were considered but could not be accommodated within the 2026/27 plan.

3. Flexibility in the Plan

- 3.1 The plan reflects the assurance need; however, it is recognised that priorities are subject to change.
- 3.2 Major changes that affect the Council need to be introduced into the planning process as and when they occur. It is therefore crucial to have a flexible plan capable of allowing auditable areas to be re-prioritised as circumstances and relative risks change, to ensure that internal audit respond appropriately to emerging issues and risks.
- 3.3 The plan includes an element of contingency to enable us to respond by undertaking reactive audit work when called upon.
- 3.4 We accept that there may be a need to amend our planned audits so that we continue to reflect the needs of the Council. Changes are reported to the Director of Finance, and any significant matters that impact upon completion of the plan or require substantial changes will be reported to the Executive Team and to the Audit Committee.
- 3.5 As in previous years the plan covers one year which is accepted best professional practice.

4. Liaison with External Audit and Other Providers of Assurance

- 4.1 We have a working relationship with External Audit, with the sharing of information so that we avoid unnecessary overlap.
- 4.2 Where our work does overlap then we will ensure that our resources are used in a complementary manner so that the Council receives the optimum benefit from our two plans. We will also map assurances received by the Council to ensure that our work does not duplicate that of other assurers.

5. Planned Work 2026/27

- 5.1 The Audit Plan is stated in terms of the number of days input which is estimated as accurately as possible based on available staff resources and an initial estimate of the time (indicative days) it is likely to take to complete the individual audit engagements. The plan is realistic and represents the best estimate of the audit resources available and the ways in which they will be deployed but may change as circumstances dictate.
- 5.2 The plan is based upon a full complement of staff and reflects the total number of available audit days in the year after deductions for holidays; an estimate of days for sickness absence; training / apprenticeship; and a minimal number of administration or other time not spent on audit work.

Total available audit days for the 2026/27 audit plan are 722 days. This is an increase of 33 days over the 2025/26 audit plan.

Resources, Skills, and Continued Professional Development

- Internal Audit has been resourced in order to meet its objectives and to meet the needs of the Audit Committee in fulfilling its duties. However, due to the number of potential audit areas identified within the planning process the Audit Committee may support putting forward a business case to increase current staffing arrangements.
- The Internal Audit team has staff with appropriate qualifications, skills and experience, supported by the necessary equipment and software to enable the team to function efficiently and effectively.

- Internal Audit is managed by the Head of Fraud, Audit, Insurance and Risk, who is professionally qualified. The post is currently vacant and should be recruited to during the 2026/27 financial year.
- Currently the Internal Audit team is fully staffed and consists of:

Two Senior Auditors

Both Senior Auditors have held senior positions for a number of years and have over 60 years' worth of Local Government Internal Audit experience between them.

Three Auditors

Two of the Auditors (one part time) have held audit positions for a number of years and have over 50 years' worth of Local Government Internal Audit experience.

The third Auditor joined the Audit Service in May 2023 and is due to commence studying for their Level 4 with the Association of Accounting Technicians (AAT) in September 2026.

- The internal auditors are 'agile workers', enabled to work within the main office, home, or any location with Bury Council network access or broadband connection. Each auditor has an encrypted laptop and access to software such as Microsoft Teams to support their ability to work from the most appropriate location.
- The auditors are subject to a regular staff appraisal where their skills and experience are evaluated against predefined competencies for internal auditors alongside the Council's annual 'personal development reviews'. Any specific training needs are highlighted and documented through this process and those needs addressed when funding is available.

Information Technology Audit

- It has been recognised that the audit of Information Communication Technology (ICT) presents specific challenges, and many aspects require specialist knowledge of ICT to enable its effective audit and the development of actions to address areas of weakness.
 - To meet this need, the Council's buys in IT Audit support from Salford Council. The Salford IT Audit team provides services to Greater Manchester's local authorities and other public sector organisations across the wider northern region.
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6. Conclusion

- 6.1 The Internal Audit Plan has been compiled in accordance with the GIAS and is linked to the Council's objectives and risks.
- 6.2 Work undertaken as part of the Audit Plan will assist the Head of Fraud, Audit, Insurance and Risk to form an opinion on the Council's system of internal control, risk management and governance along with assisting the Council to achieve its stated objectives and informing the AGS.
- 6.3 Any audits outstanding at the end of each year will be reviewed and if appropriate transfer into the following year's audit plan, subject to consultation with the leadership teams.