Bury Council

Classification: Open	Decision Type: N/a

Report to:	Audit Committee	**Date:** 22 July 2026
Subject:	Internal Audit Strategy Framework and Performance Measures & Targets for 2026/27	
Report of:	Section 151 Officer	

Summary

1. The Global Internal Audit Standards (GIAS), which became mandatory for the UK public sector from 1 April 2025, require Internal Audit to maintain a Quality Assurance and Improvement Programme (QAIP) and Strategy Framework.

   The Framework supports the assessment of Internal Audit's effectiveness, identifies opportunities for improvement and sets out arrangements for internal and external quality assessments.

2. Annual reviews have been completed and the QAIP & Strategy Framework, Internal Audit Strategy and revised Performance Measures & Targets for 2026/27 are presented for approval.

Recommendation(s)

Members of the Audit Committee to:

- Note this report.
- Approve the Internal Audit QAIP & Strategy Framework for 2026/27 (Appendix A).
- Approve the Internal Audit Strategy for 2026/27 (Appendix B).
- Approve the Performance Measures and Targets for 2026/27 (Appendix C).

Report Author and Contact Details:

Name: Judith Smith
Position: Senior Auditor, Internal Audit
Department: Corporate Core - Finance
E-mail: judith.smith@bury.gov.uk

1.0 Background

1.1 The Internal Audit Strategy and Performance Measures & Targets for 2025/26 were presented and approved at the 8 April 2025 Audit Committee Meeting following an external peer review against the Public Sector Internal Audit Standards (PSIAS) that had been undertaken in October 2024.

1.2 A review of the Strategy is required to be undertaken on an annual basis and presented for approval.

1.3 Performance Measures and Targets are reviewed annually to ensure they remain relevant, support the Council's objectives and provide meaningful performance information to stakeholders.

2.0 Strategy Framework Review and Update

2.1 The annual review identified no substantive changes to the Strategy Framework (Appendix A) or Internal Audit Strategy (Appendix B). Minor amendments have been made to:

- Update references from PSIAS to GIAS.
- Amend the title of Appendix A to better reflect its content.

3.0 Performance Measures & Targets Review and Update

3.1 Following feedback from Audit Committee members at the 14 April 2026 meeting on the year end results of the Performance Measures & Targets for 2025/26, a review has been undertaken.

3.2 The following performance measures have now been removed:

Measure	Reason
Finance & Resources	
Absence Management	Not a controllable element
Business Continuity Plan	Council requirement for all departments
Information Management	Target not stretching the section
Practice & Delivery	
Business & Risk Coverage	Resource levels and budget constraints limit direct control over this measure

3.3 The following performance measures have been amended or introduced:

Measure	Change	Reason
Customer & Stakeholder		
Stakeholder View	Wording within detail amended	To reflect evidence being retained to support stakeholder views
Improvement Actions	Wording within detail amended Target reduced from 95% to 75%	Reflects realistic performance expectations
Conformity	Target amended from 100% to Generally Achieved	To reflect assessment levels within the GIAS
Communication	New measure	Reflects enhanced stakeholder engagement
Practice & Delivery		
Reports Issued Promptly	Target reduced from 90% to 75%	Reflects achievable service delivery
Reports Within Time Allocation	New measure	Supports delivery of the audit plan

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Links with the Corporate Priorities:

- Internal Audit undertakes assurance work to all Departmental Directors and Statutory Officers regarding the systems in place, making recommendations for improvements to control and protect the assets and resources of the Council. The control and mitigation of the loss of funds gives the assurance that public money is used in an appropriate manner to deliver the Corporate Priorities.

Equality Impact and Considerations:

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Internal Audit provides assurance to Committee Members and the public that the organisation is delivering services in line with agreed policies and procedures which have considered the requirements of the Equality Act 2010.

The work required to deliver the Internal Audit plan is identified through a regular risk assessment process. This is carried out using an established methodology that is designed to show that all potential audit areas are considered fairly.

Environmental Impact and Considerations:

- N/a – no decision required.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Risks are highlighted in Audit Plans and in the terms of reference for each Audit review.	Internal Controls are reviewed in each audit to mitigate identified risks. Actions are reported to managers and progress is monitored and reported on a regular basis.

The work of Internal Audit forms a key element of the council's overall system of internal control. An effective internal audit service also helps to promote and implement best practice and process improvements in the management of risks.

Legal Implications:

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and to secure that one of their officers has responsibility for the administration of those affairs.

The Accounts and Audit Regulations 2015 also require authorities to ensure that they have a sound system of internal control which:

a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
b) ensures that the financial and operational management of the authority is effective; and
c) includes effective arrangements for the management of risk.

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.

In that regard, the GIAS (CIPFA / CIIA) require that the Chief Audit Executive develops and maintains a quality assurance and improvement programme and strategy that covers all aspects of the internal audit activity.

A quality assurance and improvement programme and strategy are designed to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The quality assurance and improvement programme and strategy must include both internal and external assessments. Internal assessments must include ongoing monitoring of the performance of the internal audit activity; and periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.

External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The Chief Audit Executive must discuss with the board the form of external assessments and the qualifications and independence of the external assessor or assessment team, including any potential conflict of interest. External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.

The Chief Audit Executive must communicate the results of the quality assurance and improvement programme to senior management and the board.

The form, content and frequency of communicating the results of the quality assurance and improvement programme is established through discussions with senior management and the board and considers the responsibilities of the internal audit activity and Chief Audit Executive as contained in the Internal Audit Charter.

To demonstrate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance.

Financial Implications:

- There are no financial implications arising from this report. The work of the Internal Audit Service however supports the governance framework.

Background papers:

- Appendix A – Internal Audit Quality Assurance & Improvement Programme and Strategy Framework – 2026/27
- Appendix B – Internal Audit Strategy – 2026/27
- Appendix C – Performance Measures & Targets 2026/27

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
GIAS	Global Internal Audit Standards
QAIP	Quality Assurance & Improvement Programme
PSIAS	Public Sector Internal Audit Standards
DMT	Department Management Team