

OPEN

Audit and Governance Committee

4 December 2025

Internal Audit Plan Update

**Report of: Kevin O’Keefe, Interim Director of Law and Governance
(Monitoring Officer)**

Report Reference No: AG/30/25-26

Ward(s) Affected: N/A

Purpose of Report

- 1 For the Committee to receive an update on work undertaken by Internal Audit between April and September 2025 and how this, along with work planned for the remainder of the financial year will contribute to the Annual Internal Audit Opinion 2025/26.
- 2 This is in line with the Committee’s Terms of Reference in receiving reports from the Head of Audit, Risk and Assurance on the performance of internal audit and the delivery of the audit plan.

Executive Summary

- 3 The report sets out work undertaken by Internal Audit during quarters 1 and 2 of 2025/26 along with details of performance against the audit plan and other performance indicators. It also sets out work that was in progress at the end of the period, and work planned for the remainder of 2025/26.

RECOMMENDATIONS
The Audit and Governance Committee is recommended to: 1. Note the update on progress against the 2025/26 Internal Audit Plan.

Background

- 4 The Global Internal Audit Standards (GIAS) superseded the Public Sector Internal Audit Standards in April 2025, and to facilitate compliance within the UK public sector, CIPFA published a Code on the Governance of Internal Audit.
- 5 This sets out that “To ensure there is good interaction between the audit committee and internal audit, audit committees must agree its work plan with the chief audit executive to ensure there is appropriate coverage of internal audit matters within audit committee agendas.”
- 6 The receipt of regular update reports on the work of internal audit, in addition to the Annual Internal Audit Opinion Report, fulfils this requirement.
- 7 This report contains:
 - (a) A summary of the audit work carried out in Q1 and Q2 2025/26.
 - (b) Comparison of the work undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and targets.
 - (c) A summary of work ongoing at the end of the period.
 - (d) A summary of work planned for the remainder of 2025/26

Consultation and Engagement

- 8 The Internal Audit Plan Update has been considered by the Corporate Leadership Team.

Reasons for Recommendations

- 9 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital part in advising the Council, via the Audit and Governance Committee, that these arrangements are in place and operating properly. The annual internal audit opinion informs the Annual Governance Statement. The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council’s objectives.
- 10 It should be noted that Internal Audit’s risk-based approach includes focussing on areas where issues are known or expected to exist. Clearly this approach adds value to the organisation, but, by its nature, may also result in lower overall assurance levels.

- 11 A report summarising the work undertaken, the issues identified, and the actions required is produced for each review undertaken. The process of reviewing the report from draft to final ensures that the findings are confirmed to be factually accurate, and that the management actions will result in improvements to the control environment. Draft reports are agreed with the appropriate managers, and the Final reports are shared with the relevant Executive Director and the Chief Executive. The implementation of agreed actions is monitored through the follow up process, and performance in this area is reported regularly to the Corporate Leadership Team and the Committee.

Other Options Considered

- 12 None applicable.

Option	Impact	Risk
Do nothing	Failure to provide Audit and Governance Committee with an update on the performance of Internal Audit.	Failure to comply with the Public Sector Internal Audit Standards.

Implications and Comments

Monitoring Officer/Legal/Governance

- 13 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities “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”.
- 14 The guidance accompanying the Regulations recognises that with effect from 1st April 2013, the Public Sector Internal Audit Standards (PSIAS) represent “proper internal audit practices”. The GIAS superseded the PSIAS in April 2025 and apply to all internal audit service providers within the UK public sector.

Section 151 Officer/Finance

- 15 In accordance with the GIAS and the CIPFA Code on the Governance of Internal Audit, the Audit and Governance Committee should ensure that the function has the necessary resources and access to information to enable it to fulfil its mandate and is equipped to perform in

accordance with appropriate professional standards for internal auditors.

- 16 The Internal Audit Plan 2025/26 was prepared, based on known resources, and with agreed budgets, to cover the core areas of work required to deliver an annual audit opinion. Resource availability is subject to regular review as part of monitoring progress against the plan.
- 17 If an imbalance between the two arises the Committee will be informed of proposed solutions. Matters that jeopardise the delivery of the audit plan or require significant changes to it will be identified, addressed, and reported to the Committee.

Human Resources

- 18 There are no direct implications for human resources.

Risk Management

- 19 Delivery of an appropriately balanced and focused Internal Audit Plan supports the Council's ability to effectively and efficiently identify and manage its risks, with the implementation of recommended actions designed to deliver improvements in governance and the control environment.

Impact on other Committees

- 20 There are no direct impacts on other Committees.

Policy

- 21 There are no direct impacts on policy

Commitment 3: An effective and enabling council
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Equality, Diversity and Inclusion

- 22 There are no equality, diversity and inclusion implications.

Other Implications

- 23 There are no other direct implications.

24 *Consultation*

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy) :</i>			
Ashley Hughes	S151 Officer	13/11/25	13/11/25
Kevin O'Keefe	Interim Monitoring Officer	13/11/25	13/11/25
<i>Legal and Finance</i>			
Jennie Summers	Head of Legal Services	24/11/25	24/11/25
Chris Benham	Director of Finance	24/11/25	24/11/25

Access to Information	
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Appendices:	Appendix 1 – Internal Audit Plan Update Q1-Q2 2025/26
Background Papers:	NA