

BOLSOVER DISTRICT COUNCIL

Meeting of the Audit Committee on 9th April 2025

Internal Audit Plan 2025/26

Report of the Portfolio Holder for Resources

Report of the Head of the Internal Audit Consortium

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| Classification | This report is Public |
| Contact Officer | Jenny Williams Head of the Internal Audit Consortium |

PURPOSE/SUMMARY OF REPORT

To present to members the 2025/26 Internal Audit Plan for approval.

REPORT DETAILS

1. Background

- 1.1 The Global Internal Audit Standards require that the Head of the Internal Audit Consortium create an internal audit plan that supports the achievement of the Council's objectives. The plan should be based on the strategies, objectives and risks of the Council and the Head of Internal Audit's understanding of the governance, risk management and control processes in place.
- 1.2 The Global Internal Audit Standards require that the Audit Committee (highest level body charged with governance) approve the plan.

2. Details of Proposal or Information

- 2.1 The plan has been prepared taking into account the following factors: -
- The Council's objectives and priorities,
 - Local and national issues and risks,
 - The requirement to produce an annual internal audit opinion – adequate coverage of governance, risk and control arrangements,
 - Information technology governance, fraud risk, the effectiveness of the Council's compliance with ethics programs and other high risk areas,
 - The Council's strategic and operational risk registers,
 - Consultation with the Senior Leadership Team.

- 2.2 An annual report summarising the outcome of the 2024/25 internal audit plan will be presented to this Committee after the year-end. Some of the areas within the 2024/25 plan have been carried forward to 2025/26.
- 2.3 A summary of the internal audit plan for 2025/26 is shown below and in detail at Appendix 1.

Internal Audit Plan 2025/26

| Summary | Audit Days |
|--|------------|
| Main Financial Systems | 72 |
| Other Operational Audits | 120 |
| Computer / IT Related | 10 |
| Corporate / Cross Cutting / Governance | 123 |
| Special Investigations & Contingency | 40 |
| Apprenticeships / Training | 30 |
| Audit Committee / Client Liaison | 15 |
| Dragonfly Ltd | 73 |
| Grand Total | 483 |

- 2.4 Resource availability has been based on the Consortium Business Plan that was approved by Joint Board on the 26th March 2025. 483 days are allocated in total. It is intended to allocate 73 days to Dragonfly Ltd this year. As Dragonfly Ltd use the same systems as the Council, wherever possible the same areas are covered in the BDC and Dragonfly Ltd Plan to utilise our resource most effectively.
- 2.5 The plan is ambitious and is reliant upon having a full staffing complement and fully trained staff. A new Senior Auditor for BDC is currently in the process of being recruited for due to the current post holder accepting a Principal Accountant post at BDC. Delays in recruitment will have an impact on the plan completion rates however if necessary other Consortium staff members and / or agency staff will be utilised to ensure that an audit opinion can be provided at the year end.

3. Reasons for Recommendations

- 3.1 To comply with the Global Internal Audit Standards and to determine the internal audit work plan for the year.

3.2 To ensure that the annual internal audit opinion can provide assurance in respect of the Council’s governance, risk and control arrangements.

4 Alternative Options and Reasons for Rejection

4.1 Not applicable.

RECOMMENDATION(S)

- 1. That the internal audit plan for 2025/26 be agreed.
- 2. That it be noted that the plan is provisional and may need adjusting and prioritising in the light of any changes in the Council’s business, risk operations, programs. Systems, controls and organisational culture.

IMPLICATIONS:

| | | |
|--|---|--|
| | | |
| <u>Finance and Risk</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Details: | | |
| <p>Internal audit reviews help to ensure that processes and controls are operating effectively thereby contributing to ensuring that value for money is obtained. The plan is ambitious and is reliant upon having sufficient resource available.</p> | | |
| On behalf of the Section 151 Officer | | |
| | | |
| <u>Legal (including Data Protection)</u> | Yes <input checked="" type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Details: | | |
| <p>The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account the Public Sector Internal Audit Standards or guidance”.</p> | | |
| On behalf of the Solicitor to the Council | | |
| | | |
| <u>Staffing</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Details: | | |
| | | |
| On behalf of the Head of Paid Service | | |
| | | |

Equality and Diversity, and Consultation

Yes

No

Details:

Environment

Yes

No

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

DECISION INFORMATION:

Please indicate which threshold applies:

Is the decision a Key Decision?

A Key Decision is an Executive decision which has a significant impact on two or more wards in the District or which results in income or expenditure to the Council above the following thresholds:

Yes

No

Revenue (a) Results in the Council making Revenue Savings of £75,000 or more or **(b)** Results in the Council incurring Revenue Expenditure of £75,000 or more.

(a)

(b)

Capital (a) Results in the Council making Capital Income of £150,000 or more or **(b)** Results in the Council incurring Capital Expenditure of £150,000 or more.

(a)

(b)

District Wards Significantly Affected:

(to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the District)

Please state below which wards are affected or tick **All** if all wards are affected:

All

| | |
|--|--|
| Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i> | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| If No, is the call-in period to be waived in respect of the decision(s) proposed within this report? <i>(decisions may only be classified as exempt from call-in with the agreement of the Monitoring Officer)</i> | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Consultation carried out: <i>(this is any consultation carried out prior to the report being presented for approval)</i> | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Leader <input type="checkbox"/> Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/> | |

Links to Council Ambition: Customers, Economy, Environment, Housing

The internal audit plan is linked to the Council Ambition in respect of its aim to deliver an excellent service that will provide assurance in respect of the Councils governance, risk and control arrangements.

DOCUMENT INFORMATION:

| Appendix No | Title |
|-------------|-----------------------------------|
| Appendix 1 | Draft Internal Audit Plan 2025/26 |
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| Background Papers <i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i> |
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