

# Cheltenham Borough Council

## Proposed Internal Audit Plan 2026/27

# Internal Audit Planning 2026/27

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2026/27 financial year.

## Introduction and Objective of the Audit Plan

Internal audit provides an independent and objective opinion on the Authority's risk management, governance, and control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with senior management, put together a proposed plan of audit work. The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Senior Management Team and Audit Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

## Internal Audit Planning 2026/27

The proposed 2026/27 plan presented in Appendix 1 provides coverage of the Authority's key corporate objectives and risks as well as core areas of recommended coverage.

**Internal audit is only one source of assurance and should be considered as such.**

### Update to Approach

It is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning recognises this through a strategic 12 month plan, whereby we have prepared an agile, risk assessed work plan containing key areas of coverage. This approach will ensure we are auditing the right areas, with the correct scope, at the right time.

We will revisit and adjust our programme of work on at least a quarterly basis to ensure alignment with the changing risk profile of the organisation's operations, systems and controls and with regard to sector risks. The regular input of Senior Management and review of the Authority's risk register will be considered in this process. Our 2026/27 audit plan will contain an element of contingency in order that the plan can remain flexible and respond to new and emerging risks as and when they are identified and may include unannounced activity.

The proposed audit plan at Appendix 1 provides coverage of the Authority's key principles, which support the corporate priorities, and strategic risks, as well as our core areas of recommended audit activity. In addition, due to services returning to the Authority, the audit plan identifies areas where audit activity will be split and assurance offered for each element, for example, payroll, strategic finance.

When compiling the audit plan Internal Audit has identified the human and technological resources necessary to complete the plan, in accordance with the fee paid by the Council.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. Internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

# Internal Audit Planning 2026/27

Our documented risk assessment helps to ensure that sufficient and appropriate areas are identified for consideration in our internal audit programme of work.

As above, it is the responsibility of the Authority's Senior Leadership Team, and the Audit committee to ensure that, with consideration of our risk assessment, the overall programme of work throughout the year contains sufficient and appropriate coverage.

## Internal Audit Risk Assessment (updated)

Our 2026/27 internal audit programme of work is based on a documented risk assessment, which SWAP will revisit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register has been considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Cheltenham Borough Council



The Global Internal Audit Standards Standard 9.2 requires auditors to develop and implement an Internal Audit Strategy. The Strategy should set the medium-term direction for internal audit, support organisational objectives and align with Audit Committee and senior management expectations. It should set out:

- The service’s vision
- Its strategic objectives and
- Initiatives for how the objectives will be achieved.

The Strategy is distinct from the Annual Plan, which covers a shorter period and specific engagements supporting the Annual Opinion.

## How SWAP Addresses the Strategy Requirement

SWAP's [Five-Year Business Plan \(2025-2030\)](#) satisfies the Standards requirement for an Internal Audit Strategy. This plan outlines our strategic vision and details how we intend to develop and provide internal audit and assurance services throughout the five-year timeframe, including key objectives and the initiatives necessary to accomplish them. The Business Plan received unanimous approval from our Owner-Partners in December 2025.

## Alignment to Cheltenham Borough Council’s Strategic Objectives

We designed our Business Plan around partner priorities and risks. In general, the Business Plan supports delivery of strategic objectives by aligning audit coverage, insight and capability to those priorities, for example:

Anticipatory Service Offer	Aligns assurance to cyber growth, housing landlord duties, net zero, inequalities and financial resilience
Data-Driven Decisions	Strengthens evidence and reporting to track priority outcomes, performance indicators and value for money decisions
Standards-Conforming Work	Consistent, defensible assurance over housing compliance, community safety, climate governance and financial controls
Well-Governed Controls	Assurance that controls support safe landlord services, regeneration delivery, procurement, grants and budget discipline
LGR Support	Assurance and advice on transition governance, risk, interim controls, data migration and continuity ahead of April 2028 changes

## Monitoring the Business Plan

We monitor Business Plan delivery through SWAP’s governance. Oversight by an Executive Leadership team led by SWAP’s Chief Executive, regular reporting and challenge by our Board and biannual Owners’ meetings including representatives from every Partner organisation to review progress and agree material updates.

Core Audit Areas – Areas of Coverage and Brief Scope	Directorate	Link to Council Corporate Risk	Link to Council Priority
<b>Core Financial Processes</b> <ul style="list-style-type: none"> <li>• Main Accounting/Budgetary Control</li> <li>• Bank Reconciliation</li> <li>• Treasury Management</li> <li>• Payroll</li> </ul>	Finance & Operations	160	Key System - All
<b>Core Financials – Publica Controls and Transactional Testing</b> <i>A review of the controls operating within Publica in respect of the Core Financial systems:</i> <ul style="list-style-type: none"> <li>• Payroll</li> <li>• Bank Reconciliation</li> <li>• Procurement</li> </ul>	Publica Business Services	160	Key System - All
<b>Human Resources</b> <ul style="list-style-type: none"> <li>• Human Resources – Manual Pay Calculations</li> </ul>	Corporate Services		Key System - All
<b>Revenues and Benefits</b> <i>A review of the controls operating in respect of:</i> <ul style="list-style-type: none"> <li>• Council Tax</li> <li>• National Non-Domestic Rates</li> <li>• Housing Benefit and Council Tax Support</li> </ul> <i>Scope to be confirmed</i>	Finance & Operations	160	Key System - All
<b>ICT Audits</b> <i>Audits to be discussed and confirmed with the Chief Technology Officer and ICT Audit and Compliance Manager</i>	ICT	157	Key System - All
<b>Regulatory Services</b> <ul style="list-style-type: none"> <li>• Food Safety</li> </ul>	Finance & Operations		
<b>Housing Services Compliance</b> <i>A review of controls operating in respect of 3 of the 6 compliance areas – Fire Safety, Asbestos and Water. Damp, mould and condensation (Awaabs Law)</i> (Reviews of Gas Safety, Lift Maintenance and Electrical Safety will be undertaken in 2026/27)	Governance, Housing and Communities	195	Quality homes, safe and strong communities

Proposed Audit Areas – Areas of Coverage and Brief Scope			
<b>Governance</b> <ul style="list-style-type: none"> <li>Health and Safety</li> <li>Safeguarding Adults and Children</li> <li>Complaints</li> </ul>	<b>Governance, Housing and Communities</b>		<b>Reducing inequalities, supporting better outcomes</b>
<b>Community Grants</b> <ul style="list-style-type: none"> <li>Review of discretionary spend</li> </ul>	<b>Governance, Housing and Communities</b>		<b>Taking care of your money</b>
<b>Housing</b> <ul style="list-style-type: none"> <li>Rent Management – Collection / Reconciliation</li> <li>Housing Repairs – Data Validity</li> </ul>	<b>Governance, Housing and Communities</b>	<b>195</b>	<b>Quality homes, safe and strong communities</b>
<b>Cultural Services</b> <ul style="list-style-type: none"> <li>Health and Safety – Assurance review of Building Compliance</li> </ul>	<b>Health and Safety</b>	<b>142</b>	<b>Securing our Future</b>
<b>Cemeteries and Crematoria</b> <ul style="list-style-type: none"> <li>Operational Review – Health and Safety, processes</li> </ul>	<b>Finance &amp; Operations</b>		
<b>Follow-Up Audits (Advisory and Limited Assurance)</b> <b>Voids Process</b> <i>Follow-Up of 2025/26 Audit</i> <b>Recharging Mechanisms and Section 20 Process</b> <i>Follow-Up of 2025/26 Audit</i>			
<b>Programmes and Projects</b> <i>Time allocated to support CBC Specific / Directed Programmes and Projects To include support to Local Government Re-Organisation Work Streams (when required)</i>		<b>158</b>	<b>Key System - All</b>
<b>Proposed audits will be considered, during the year, and discussed with Service Managers, Directors, and Statutory Officers, to confirm scope, timing and if it remains appropriate to undertake the audit. Where applicable Publica Business Managers will be consulted. Liaison meetings</b>			

<p><b>will also identify any further areas (not included above) that would benefit from an Internal Audit Review. The Audit Plan will be updated and agreed with the S151 Officer as necessary.</b></p>			
<p><b>Further requested assurance / advisory / support work</b></p>			
<p><b>Other Audit Involvement</b></p>			
<p><b>Management</b>  <i>Preparation of IA Monitoring Reports and preparation and attendance at Audit, Compliance &amp; Governance Committee. Annual Audit Planning. Attendance at Governance Groups. High level programme monitoring. Liaison meetings with CFO and Management Team. IA Team Liaison Meetings.</i></p> <p><b>Follow-Up Audits</b>  <i>Follow-Up of Previous Year's Agreed Actions</i></p> <p><b>Programmes and Projects</b>  <i>IA support to programmes and projects as appropriate</i></p> <p><b>Specialist Groups</b>  <i>IA attendance at specialist groups e.g. Procurement and Commissioning</i></p> <p><b>Grant Certification</b>  <i>Review (income and expenditure) and certification of Grants received by the Council ensuring funding requirements have been met (to include Disabled Facilities Grants)</i></p> <p><b>Working with the Counter Fraud and Enforcement Unit</b>  <i>Provision to ensure collaborative working with the CFEU and to ensure control weaknesses, identified during CFEU activity, are being actioned. Regular liaison meetings</i></p> <p><b>Contingency</b>  <i>Provision for new work based on emerging risks and Investigations.</i></p>			

