DAP - Internal Audit Plan 2026/27

Plymouth City Council Audit & Governance Committee

March 2026

Official

Tony Rose – Head of Devon Assurance Partnership

Louise Clapton - Audit Manager

Devon Assurance Partnership	Confidentiality and Disclosure Clause
The Devon Assurance Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, North Devon, Torridge, South Hams, West Devon councils, Devon and Somerset Fire and Rescue and the Devon and Torbay Combined County Authority. We aim to be recognised as a high-quality assurance service provider in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards. The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk .	This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies. This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Introduction

Internal auditing at Plymouth City Council is delivered in accordance with the Global Internal Audit Standards (GIAS), effective for the UK public sector from April 2025. The Standards set out the purpose, authority and responsibilities of the internal audit function, defining internal auditing as an independent, objective assurance and advisory activity designed to strengthen governance, risk management and internal control, and to support the organisation in achieving its objectives.

Within these Standards, the role of the Board is fulfilled by the Council's Audit & Governance Committee, and the role of senior management is fulfilled by the Corporate Management Team, as defined in the Council's Internal Audit Charter. The Charter outlines the mandate, independence, access rights, and organisational position of the Devon Assurance Partnership (DAP) in providing Internal Audit services to the Council. It confirms unrestricted access to records, systems, data and personnel, and formal accountability to the Audit & Governance Committee, in line with GIAS requirements.

The Chief Audit Executive (CAE), fulfilled by the Head of Devon Assurance Partnership, is responsible for developing a risk-based internal audit plan that reflects the Council's priorities, risk appetite, governance arrangements and internal control environment. The plan is informed by:

- the Council's Strategic and Operational Risk Registers;
- risk intelligence, performance information and service pressures;
- discussions with senior management and the S151 Officer;
- previous audit findings and thematic insights; and
- the requirement to provide sufficient, balanced assurance to support the annual internal audit opinion.

The plan is dynamic, reflecting the GIAS expectation that internal audit activity must be continuously reviewed and updated to respond to changes in risk, operations, systems and external drivers. Any significant changes to the plan will be reported to, and approved by, the Audit & Governance Committee.

Internal Audit forms an integral part of the Council's overall assurance framework, supporting good governance, transparent decision-making, financial resilience, service improvement and counter-fraud arrangements. DAP works collaboratively with other assurance providers, including External Audit, Risk Management, and Counter Fraud to avoid duplication and to strengthen integrated assurance across the Council.

The Audit & Governance Committee is invited to review and consider:

- the basis of the risk assessment informing this plan;
- the alignment with the Council's governance and risk management frameworks;
- the level of resources available to deliver the plan; and
- the proposed areas of internal audit coverage for 2026/27.

Through this plan, DAP aims to provide independent, high-quality assurance and insight that strengthens the Council's ability to manage risk, deliver services effectively, and meet its statutory and regulatory responsibilities.

Tony Rose
Head of Devon Assurance Partnership

Annual Flexible Audit Plan 2026/27

Internal Audit continues to develop its planning approach in line with sector-wide movement toward agile, flexible audit planning, enabling the service to remain responsive to rapidly changing organisational risks and priorities. This approach aligns with the requirements of the Global Internal Audit Standards (GIAS).

Our flexible plan is therefore designed to ensure assurance work remains targeted, timely, and proportionate to the Authority's highest risks. This approach supports improved risk coverage, stronger prioritisation and enhanced value for the Council, while ensuring sufficient evidence to support the annual internal audit opinion.

Key Benefits of a Flexible and Agile Audit Plan:

- Ensures audit work remains aligned to the current risk environment, including shifts in strategic, operational, financial and external risk drivers.
- Reduces non-productive time spent on rigid, pre-defined planning that later requires substantial revisions.
- Enables more effective pre-audit engagement with Service Directors and Senior Management to ensure audit work reflects real-time pressures and service needs.
- Supports regular dialogue with client leads, increasing shared understanding of risks and expected outcomes.
- Improves the visibility of emerging risks, enabling quicker intervention and assurance where required.
- Ensures Internal Audit remains responsive to significant national, legislative and regulatory changes affecting local government.

The thematic plan has been developed using DAP's risk-based assessment methodology, to ensure the plan provides balanced assurance across governance, financial controls, ICT and cyber, service delivery, transformation, people, assets and commissioned services. This is underpinned by:

- the Council's Strategic and Operational Risk Registers
- DAP's Audit Needs Assessment and Audit Universe
- consideration of risk exposure, control maturity, financial impact and service dependency
- intelligence from previous audits, national alerts and sector-wide developments
- engagement with the Corporate Management Team, the S151 Officer and Service Directors

To ensure that the plan remains accurate, relevant and appropriately aligned to risk appetite and organisational priorities, the audit plan will be:

- Formally reviewed quarterly, and informally monitored on a rolling basis.
- Updated promptly where emerging risks, legislative changes, external events or service pressures arise.
- Adjusted following significant changes to the Council's strategic risk profile, transformation activity or financial outlook.
- Reported to the Audit and Governance Committee for approval where changes are significant, with clear rationale provided.

The plan has been structured to ensure sufficient coverage of governance, risk management and control to support DAP's annual internal audit opinion, as required by GIAS and the Accounts and Audit Regulations. This includes; core financial systems, Cyber and ICT governance, contract management and procurement, grant certifications and key service-critical and high-risk operational areas

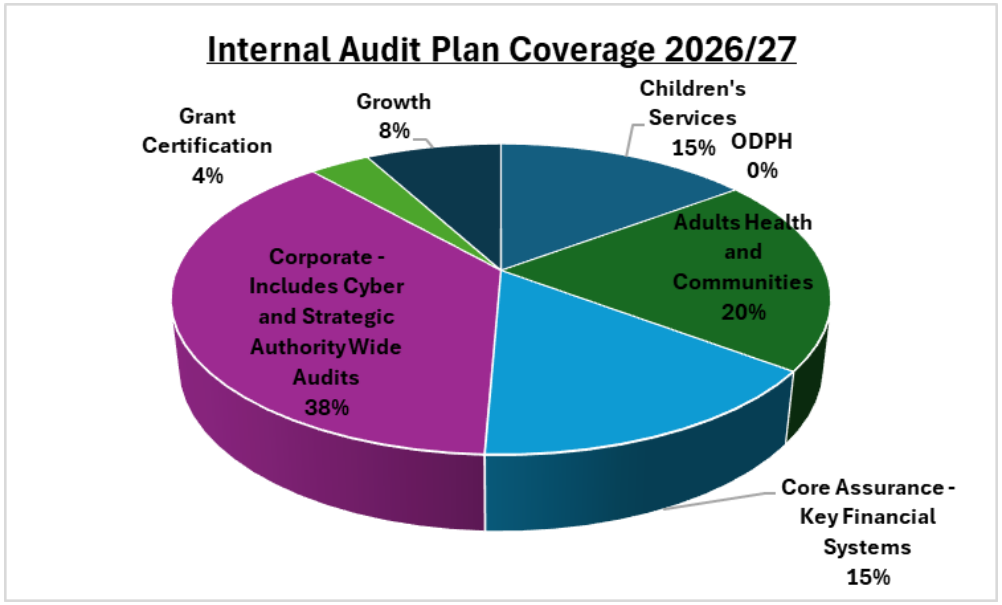


Chart 1. Internal Audit Coverage across Service Directorates and Corporate / Strategic themes.

Chart 2. Internal Audit Coverage against high/medium Strategic Risks, please note some reviews may cross over multiple risks and count more than once.

The table on the following page details our proposed high-level and thematic overview of audit coverage, this should be considered alongside the charts above, showing indicative allocation of resource to meet this summary plan. Audit coverage is spread across corporate, service areas and risk to ensure provision of assurance on the wider control framework to inform our annual assurance opinion.

Detailed terms of reference will be developed and agreed with management before each assignment begins to ensure that the most material risks, system dependencies and control expectations are fully addressed. In addition, all audits resulting in a Limited Assurance opinion, will be subject to ongoing follow-up through DAP's Management Action Tracking arrangements to provide assurance that agreed high and medium priority improvements are implemented in full.

Key: (A) = Assurance, (C) = Advisory, Audit Needs Assessment - (H) = High Priority, (M) = Medium, (L) = Low. Authority Wide Audit Coverage.

High Level Summary Audit Plan

Adult, Health and Communities

Homelessness / Temporary accommodation Data and Payments (A) (H)

Hospital Discharge and Home First (A) (H)

Adult Social Care Sustainability Data and Payments (A) (H)

Adult Social Care Financial Assessments (A) (H)

Market sufficiency and provider quality oversight (A) (H)

Housing Standards and Housing Solutions Data (A) (H)

Reserve List

Front door performance and waiting well controls. (H)

Deputyships (H)

Direct Payments (H)

Children's Services

Dedicated Schools Grant Management (A) (H)

Children's Social Care Sustainability Data and Payments (A) (H)

CareFirst to Eclipse Migration – Phase 3 Finance Module (A) (H)

Connect to Work (M)

Growth

Tree Management (A) (H)

Transport Financing, Governance and Risk (A) (M)

SWDWP (C) (M)

Reserve List

CIL and Section 106 Governance (A) (M)

Corporate decarbonisation including energy management (A) (M)

Public Health

Corporate

MTFS - Savings delivery plans (A) (H)

Transformation Plans (A) (H)

Capital Programme and Project Management Delivery (A) (H)

Corporate Spend Management – Contract Management (A) (H)

Transparency in Decision Making (A) (H)

Information Governance - Data assets ownership and management (A) (H)

Corporate Asset Management (A) (H)

People Strategy / Workforce Resilience (A) (M)

New Target Operating Model (C) (M)

Reserve List

Performance Management (A) (M)

Client and Audit Governance

Management Action Tracking

Corporate Governance

Audit Planning and Co-ordination

Liaison with External Auditor

Advice

Corporate Peer Review

Improvement and Assurance Framework

Risk Management

Global Internal Audit Standards Compliance

Core Assurance

Key Financial Systems (A) - Payroll, Debtors and Debt Management, Main Accounting System and Budget Management, Council Tax and Business Rates, Housing Benefits, Capital and Treasury Management.

Grants – Grant Certification

ICT (A) – Cyber Security - Supplier/Supply Chain Management, Cyber Security - Asset Management, Cyber Security User Access – Joiners Leavers Movers

--**Reserve List** -- AI Governance and Risk Management (DIAS), Management of IT related transformation projects

The above diagram shows the thematic approach to audit coverage in the coming year underpinned by defined, core assurance work.

Fraud Prevention and Detection and the National Fraud Initiative

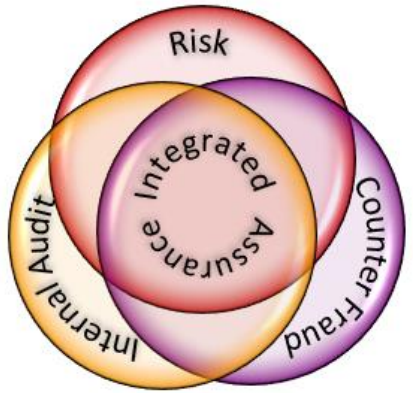
Counter-fraud arrangements remain a critical priority for the Council, underpinning the protection of public funds, safeguarding services, and maintaining public trust. Devon Assurance Partnership (DAP) will continue to provide a proactive and responsive counter-fraud function, investigating all allegations of potential fraud or irregularity referred by managers, and undertaking targeted anti-fraud and corruption testing in areas identified as being at heightened risk. This work is informed by intelligence, audit findings, national alerts, and thematic risk indicators.

The Cabinet Office's National Fraud Initiative (NFI) remains a key pillar of the Council's counter-fraud assurance. DAP has coordinated the Council's participation in the 2024/25 NFI cycle, ensuring all required datasets were extracted and securely uploaded to the NFI portal in accordance with Cabinet Office deadlines. The review of matches arising from this exercise will be completed by 31 March 2026, with outcomes reported through established governance channels.

Preparation for the next cycle will commence later in 2026, when DAP will again coordinate the Council's participation in the 2026/27 NFI exercise, including the extraction and secure submission of datasets to the NFI portal in line with the national timetable. This continuous approach ensures the Council remains compliant with statutory requirements and maintains an effective, data-driven counter-fraud capability embedded within its wider assurance framework.

Integrated Assurance

DAP's integrated model brings together Internal Audit, Risk and Counter Fraud teams, enabling intelligence sharing, coordinated activity and the ability to rapidly focus resources on emerging threats. This collaborative approach strengthens the Council's capacity to identify vulnerabilities early, prevent fraud before it occurs, and support managers in maintaining strong internal control environments.



Internal Audit Governance

A distinct element of our annual programme involves work categorised as client governance. This activity underpins the effective and efficient delivery of internal audit services to the Council and ensures the internal audit function continues to meet its statutory, regulatory and professional obligations, including those set out in the Global Internal Audit Standards (GIAS) and the Accounts and Audit Regulations.

Client governance work supports the Council's overall assurance framework and depending on the nature of the task, may result in a formal output (such as an audit report) or may take the form of advice, guidance, or participation in governance processes. Collectively, these activities enable the Audit Committee, Corporate Management Team and service managers to receive timely, accurate and risk-based assurance.

Typical areas of client governance include:

- Development and maintenance of the Internal Audit and Counter Fraud Plans, incorporating risk intelligence, emerging issues and organisational priorities, together with ongoing monitoring of delivery and necessary in-year adjustments.
- Preparation and presentation of monitoring reports to Senior Management and the Audit and Governance Committee, providing updates on delivery, assurance levels, emerging risks, and progress against management actions.
- Support to the Annual Governance Statement (AGS), contributing evidence, coordinating assurance inputs and advising on the robustness of governance arrangements.
- Liaison with external oversight bodies, such as External Audit, the Local Government Association, Ofsted, regulators and inspection teams, to ensure alignment of assurance activity and avoid duplication.

- Corporate governance support, where Internal Audit provides insight, challenge and advice on significant governance matters, strategic risk issues, and organisational change programmes. This reflects the increasing expectation under GIAS for internal audit to play an active role in strengthening organisational governance.
- Ongoing development of the Devon Assurance Partnership, including methodology updates, quality assurance and improvement activity, performance measurement and initiatives to enhance efficiency, resilience and value for money.

This client governance work is an essential component of how Internal Audit supports the Council's governance, risk and control environment. It ensures transparency, strengthens the Council's assurance framework, and helps maintain continual improvement in line with professional standards.

Partnership working with other auditors

We will continue to develop and maintain effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We participate in a range of internal audit networks, both locally and nationally which provide for a beneficial exchange of information and practices with the aim of improving the effectiveness and efficiency of the audit process, through avoidance of instances of "re-inventing the wheel" in new areas of work.

Appendix 1 - Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015 (revised), which state:
'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering public sector internal auditing standards (GIAS) or guidance'.

DAP, through internal assessment, demonstrates that it meets the Global Internal Audit Standards (GIAS).

The Standards require that the Chief Audit Executive must 'establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. When completing these plans, the Chief Audit Executive should take account of the organisation's risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation's business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.

We will seek opportunity for shared working across member authorities. In shared working Devon Assurance Partnership will maximise the effectiveness of operations, sharing learning and best practice, helping each authority develop further to ensure that risk remains suitably managed.

Appendix 2 - Annual Governance Framework Assurance

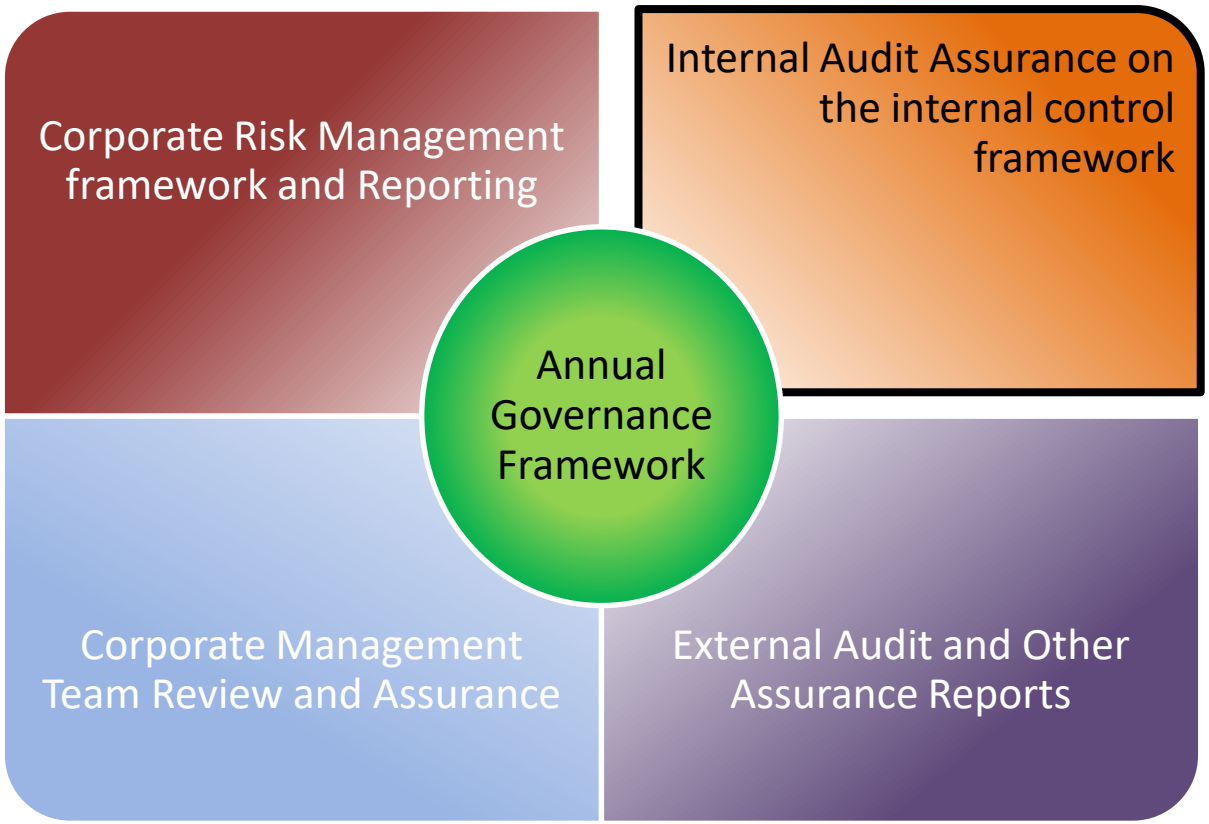
The Annual Governance Statement provides assurance that

- The Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should: -

- be prepared by senior management and signed by the Chief Executive and Leader of the Council;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that is followed to ensure that the governance arrangements remain effective. This will include comment upon:
  - The Authority;
  - Audit Committee;
  - Risk Management;
  - Internal Audit;
  - Other reviews / assurance;

Provide confirmation that the Authority complies with CIPFA recently revised International Framework – Good Governance in the Public Sector. If not, a statement is required stating how other arrangements provide the same level of assurance.



The AGS needs to be presented to, and approved by, the Audit Committee, and then signed by the Chair.

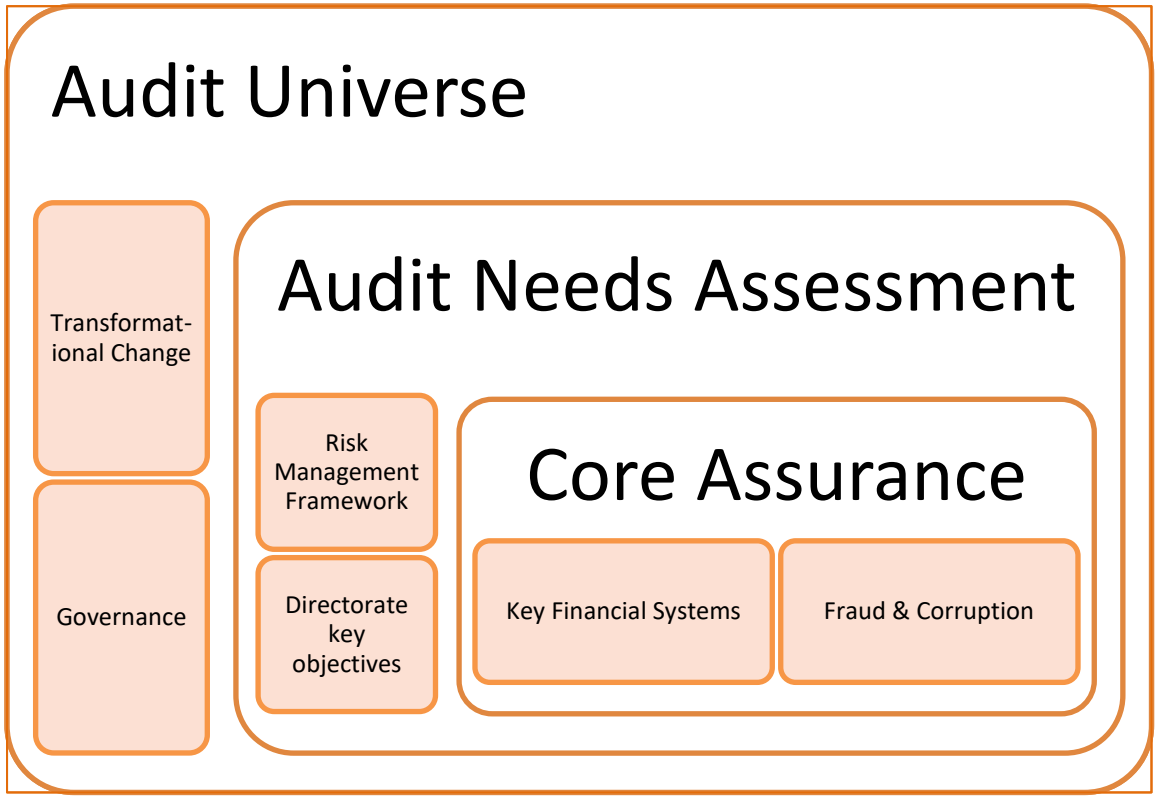
The Committee should satisfy themselves, from the assurances provided by Risk Management, Leadership Group and Internal Audit that the statement meets statutory requirements.

Appendix 3 - Audit Needs Assessment

We work closely with senior management and Members to employ a risk-based priority audit planning approach to identify those areas where audit resources can be most usefully targeted.

This involves consideration of global risk themes, the Councils Risk Register, medium term financial plan, and Internal Audit assurance mapping. The plan consultation process recorded areas considered but excluded from the plan in accordance with GIAS.

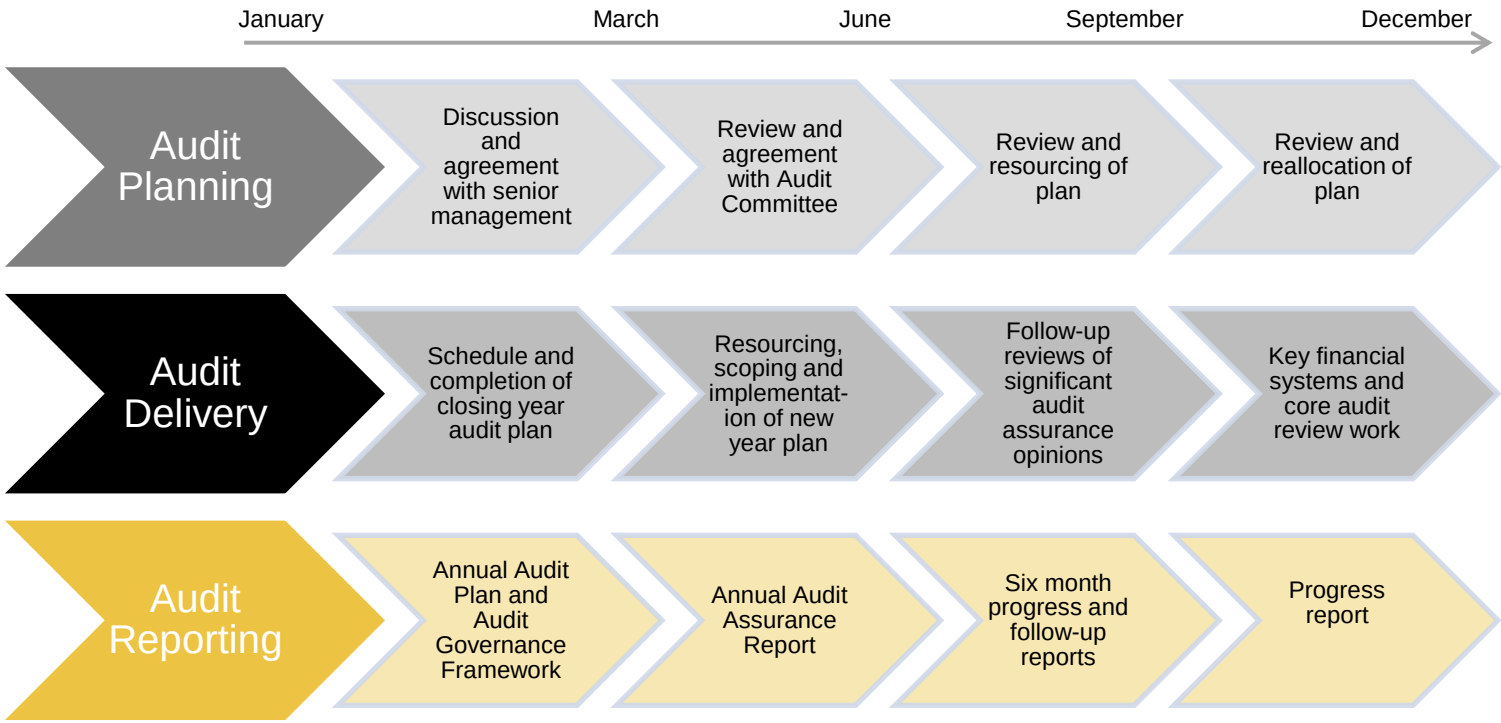
The result is the Internal Audit Plan set out earlier in this report.



The audit plan for the year has been created by:

- Consideration of risks identified in the Authority's strategic and operational risk registers
- Review and update of the audit universe
- Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives
- Taking into account results of previous internal audit reviews
- Taking into account Internal Audit's knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council's delivery plans
- Requirements to provide a 'collaborative audit' approach with the external auditors

Appendix 4 - Our Audit Team and the Audit Delivery Cycle



Date	Activity
Jan 2026/ Feb 2026	Directorate planning meetings
Mar 2026	Internal Audit Plan presented to Audit and Gov Committee
March 2026	Internal Audit Governance Arrangements reviewed by Audit and Gov Committee
March/ April 2026	Year-end field work completed
April / May 2026	Annual Performance reports written
Jul 2026	Annual Internal Audit Report presented to Audit and Gov Committee
Quarterly	Recommendation Tracking is an ongoing process
Sept 2026	Progress report presented to Audit and Gov Committee
Nov 2026	Six-month progress reports presented to Audit and Gov Committee
Dec 2026	2027/2028 Internal Audit Plan preparation commences

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Appendix 5 - Professional Standards and Customer Service

Conformance with Global Internal Audit Standards (GIAS)

The new **Global Internal Audit Standards (GIAS)** took effect for the UK public Sector as of 1*st* April 2025. There are three key aspects; The GIAS; The CIPFA Code on the Governance of Internal Audit; and The CIPFA Application Note for the GIAS in the Public Sector.

These documents combine to set out the framework for Internal Audit that must be followed as per Section 5 of the Accounts and Audit Regulations 2015. During 2025-26 DAP are undertaking a Gap Analysis of existing processes in relation to the above for each DAP Partner. The outcomes will result in action plans that will be worked through with the Partners to ensure compliance; this is likely to require actions from both DAP and Partners to ensure compliance with the revised governance arrangements and other applicable activities. Further information will be provided in the 2025/26 Annual Report.

Conformance – Devon Assurance Partnership (DAP) confirms that its internal audit activity operates in alignment with the Global Internal Audit Standards (GIAS), effective April 2025 for the UK public sector. Our Internal Audit Charter, approved by the Audit Committee, defines our purpose, mandate and responsibilities, ensuring independence, objectivity, and adherence to ethical principles. The charter mandates unrestricted access to records, systems, and personnel, and establishes accountability to the Audit Committee, supported by the DAP Management Board and Joint Committee. DAP applies a systematic, risk-based approach to assurance and advisory services, guided by methodologies that conform to the five domains and fifteen principles of the GIAS.

An **external standards assessment** must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was last conducted in late 2024 prior to the GIAS by an IIA qualified ex Assistant Director of an Audit Partnership.

The assessment result was that ***"Based on the work carried out, it is our overall opinion that DAP generally conforms* with the Standards and the Code of Ethics".*** **The report noted that** ***"As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion".*** DAP is actively addressing these improvement areas.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

Quality Assessment - The Head of Devon Assurance Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.
External Assessment - The GIAS state that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS / GIAS and quality assurance are included in this development plan which is ongoing. Our development plan is regularly updated and links to our overall strategy, both of which are reported to the DAP Management Board and DAP Committee.

Customer Service Excellence (CSE)
DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during 2025. This accreditation is a UK-wide quality mark which recognises organisations that prioritise customer service and are committed to continuous improvement.

During the year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with 97% being "satisfied" or better across our services. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

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