Rotherham Metropolitan Borough Council

Public Report
Audit Committee

Committee Name and Date of Committee Meeting
Audit Committee – 17 March 2026

Report Title
Internal Audit Plan 2026/27

Is this a Key Decision and has it been included on the Forward Plan?
No

Executive Director Approving Submission of the Report
Judith Badger, Executive Director of Corporate Services

Report Author(s)
Louise Ivens, Head of Internal Audit
Tel: 01709 823282 Email: louise.ivens@rotherham.gov.uk

Ward(s) Affected
Borough-Wide

Report Summary
This report refers to the Internal Audit Plan for 2026/27. The report explains Internal Audit's approach to the development of the plan, as well as detailing the specific activities Internal Audit plan to review during the year. The plan reflects a comprehensive risk assessment process, which has also included consultation with Executive Directors and Service Directors to obtain their views of key risks and areas for audit coverage. It is designed to enable the Head of Internal Audit to give their annual opinion at the end of the year on the adequacy and effectiveness of governance, risk management and the control framework. The plan will remain flexible and will be reviewed during the year to ensure it remains relevant.

Recommendations
That the Audit Committee is asked to:

1. Consider the Internal Audit Plan and to comment on its content with regards to the areas covered and the level of audit resources.

2. Approve the Internal Audit Plan for 2026/27.

List of Appendices Included

Appendix 1 – Internal Audit Plan

Background Papers
Global Internal Audit Standards
Global Internal Audit Standards in the UK Public Sector (Application Note)
Code of Practice for the Governance of Internal Audit in UK Local Government

Consideration by any other Council Committee, Scrutiny or Advisory Panel
No

Council Approval Required
No

Exempt from the Press and Public
No

Internal Audit Plan 2026/27

1. Background

1.1 Internal Audit is required to comply with the Global Internal Audit Standards (UK Public Sector). The standards require Internal Audit's plans to be risk based and to take into account the need to produce an annual Internal Audit opinion. The plan needs to be flexible to reflect changing risks and priorities of the organisation.

2. Key Issues

2.1 The proposed audit plan has been devised adopting a risk-based approach using the following sources:

- the Council's risk management processes and the strategic and directorate risk registers;
- reports by management to the Audit Committee on the management of risks and the outcomes of external inspection reports;
- the results of previous Internal Audit work and our ongoing assessment of the auditable entities within the Authority;
- planned work deferred from 2025/26;
- Council Plan and Year Ahead Delivery Plan;
- knowledge of existing management and control environments;
- professional judgement on the risk of fraud or error;
- consultation with all Directorate Leadership Teams and the Strategic Leadership Team taking into account feedback from Executive Directors, Service Directors, the Monitoring Officer and the Chief Executive;
- awareness of relevant local and national issues; and
- regular dialogue with authorities within South and West Yorkshire helps to ensure an awareness of emerging risks within other councils, so that they can be considered during audit planning.

2.2 The outputs from the planning process have been prioritised to produce a plan that balances the following:

- the requirement to give an objective and evidenced based opinion on aspects of governance, risk management and internal control;
- the time required for anti-fraud and corruption activity;
- the requirement for Internal Audit to add value through improving controls, streamlining processes and supporting corporate priorities; and
- the need to retain a contingency element to remain responsive to emerging risks.

2.3 As well as identifying all of the proposed pieces of work to be carried out during the year, the plan:

- Explains the statutory requirements for Internal Audit
- Describes the approach and methodology adopted in producing the plan
- Shows the level of resources available to deliver the plan
- Includes a contingency for responsive work

2.4 In line with auditing standards, the plan does not become fixed when it is approved. It remains flexible and will be revised to take into account any significant emerging risks facing the Authority. It will be subject to a half year review in consultation with Executive Directors and Service Directors.

3. Options considered and recommended proposal

3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for overseeing the work of Internal Audit, in particular to review and approve the risk-based plan.

3.2 The Audit Committee is asked to support the Internal Audit Annual Plan for 2026/27.

4. Consultation on proposal

4.1 As part of the process for producing this Audit Plan, the Head of Internal Audit has held discussions with the Council's Executive Directors and their teams to obtain their views of key risks and areas for audit coverage.

5. Timetable and Accountability for Implementing this Decision

5.1 The Audit Committee is asked to receive this report at its 17th March 2026 meeting.

6. Financial and Procurement Advice and Implications

6.1 There are no direct financial or procurement implications arising from this report. The budget for the Internal Audit function is contained within the budget for the Customer Services Directorate.

7. Legal Advice and Implications

7.1 The provision of Internal Audit is a statutory requirement for all local authorities that is set out in the Accounts and Audit (England) Regulations 2015. These state:

"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."

7.2 Internal Audit also has a role in helping the Council to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are:

> "each local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs"

7.3 The Global Internal Audit Standards state:

> *"The chief audit executive must create an internal audit plan that supports the achievement of the organisation's objectives. The chief audit executive must base the internal audit plan on a documented assessment of the organisation's strategies, objectives, and risks. This assessment must be informed by input from the board and senior management as well as the chief audit executive's understanding of the organisation's governance, risk management, and control processes. The assessment must be performed at least annually."*

8. Human Resources Advice and Implications

8.1 There are no direct Human Resources implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 This document constitutes a report of the Internal Audit Plan for 2026/27. A significant proportion of the Plan is devoted to the examination of risks facing Children and Young People's Services and Adult Social Care.

10. Equalities and Human Rights Advice and Implications

10.1 There are no direct Equalities and Human Rights implications arising from this report.

11. Implications for CO_2 Emissions and Climate Change

11.1 There are no direct CO2 and Climate Change implications arising from the report.

12. Implications for Partners

12.1 Internal Audit is an integral part of the Council's Governance Framework, which is wholly related to the achievement of the Council's objectives, including those set out in the Council Plan.

13. Risks and Mitigation

13.1 The following risks have been identified.

Risk	Impact	Probability	Mitigation
Not having/failing to deliver a risk-based Plan. Audit Plan does not reflect current risks/threats to Council. Unforeseen demands upon audit resources, e.g. increase in frauds/investigations and/or requests from management (responsive work). Insufficient resources to complete work to support the annual opinion.	Low	Low	Risk-based approach to audit planning, including consultation with management. Robust task/time management process. Audit Plan kept under review to ensure it reflects key risks across Council. As a minimum half-yearly meetings with all Directorate Leadership Teams to ensure plan is up to date. Progress reports provided to Audit Committee.

Accountable Officer(s)
Louise Ivens, Head of Internal Audit

Report Author: Louise Ivens, Head of Internal Audit
Tel 01709 823282 E mail louise.ivens@rotherham.gov.uk

This report is published on the Council's website.