

Appendix 1

Bath & North East
Somerset Council

Improving People's Lives

Internal Audit Plan 2025/26

Delivering Independent Assurance to Local Government



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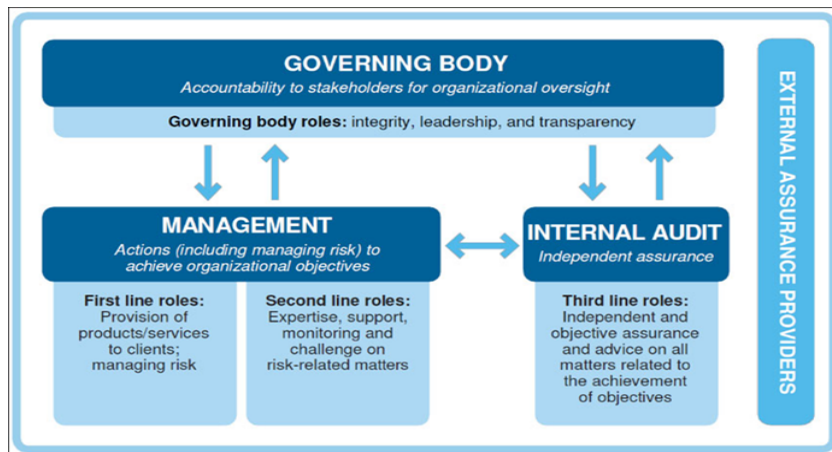
1. Our Role

Introduction

Bath & North East Somerset Council exists for one clear purpose - to improve people's lives. Good governance enables Bath & North East Somerset Council to effectively achieve its intended outcomes linked to stated priorities.

One West fully recognises its need to be flexible and agile in the face of the significant changes affecting the whole of the public sector and meet the needs of its stakeholders. Independent assurance which is strong but supportive can provide a helpful and positive role not just to services but to elected Members and the Community at large by demonstrating that the Council is operating effectively and protecting its assets and resources for the benefit of all its stakeholders.

The Three Lines Model



By being independent of management, One West maintain the third line and we continue to do this effectively by working with all our stakeholders - especially the Audit Committee, Statutory Officers and Senior Management – to improve the service we offer but also to provide an independent voice in supporting service change and transformation.

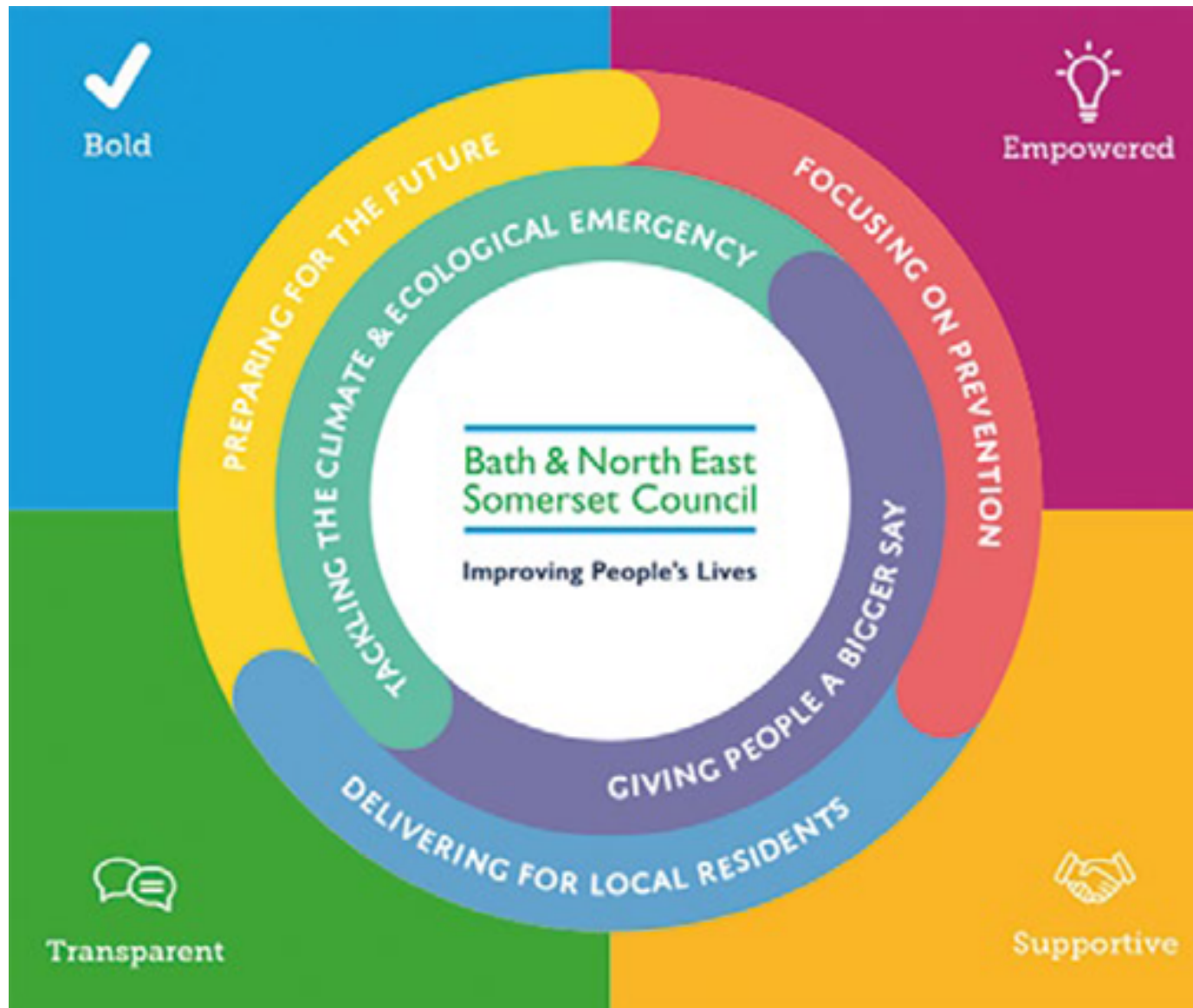
We also aim to offer continued value to all our clients based on the following key priorities –

- **Use of our Reasonable Assurance Model**
- **Maximising Use of Technology**
- **Investment in People and Skills**
- **Offering Complimentary Assurance Services**
- **Providing Value for Money**

The remainder of this document outlines our approach and also the indicative areas for our audit and assurance plan for 2025-26.



2. Purpose, Policies and Principles for Bath & North East Somerset



Our Values



Bold



Empowered



Supportive



Transparent

3. How the Internal Audit Plan is compiled – Reasonable Assurance Model

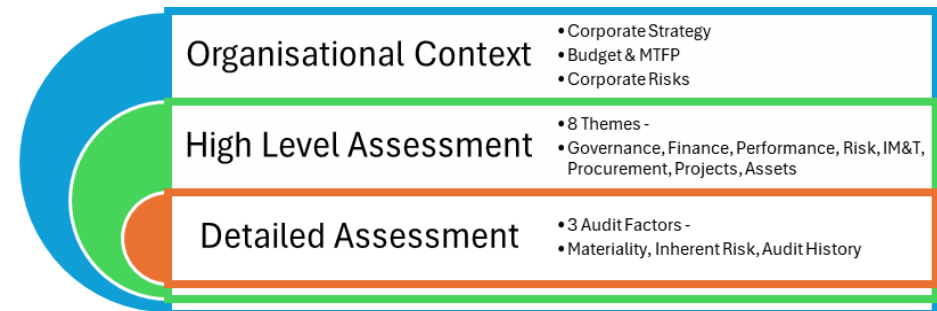
A key component of the audit needs assessment is using the adopted 'Reasonable Assurance Model' to assess the level of Assurance in place over eight themes.



Each Theme has a set of questions and the answers to these questions help assess the level of assurance and the level of risk for each theme. The Reasonable Assurance Model informs the Internal Audit Annual Plan and enables an assessment of compliance with the seven principles of good governance as recorded in the Council's Local Code of Corporate Governance.

In addition to the Reasonable Assurance Model assessment the annual plan is created by:

1. Consideration of risks recorded in the Council's Corporate Risk Register and operational risk registers.
2. Horizon scanning – external publications and networking groups e.g. West of England Chief Auditors.
3. Consultation with Directors, key Corporate Officers and Statutory Officers – discussions cover any issues, and new / heightened risks based on new or changes in responsibilities.
4. External Review Body findings or planned reviews.
5. Risk scoring long list of potential areas of audit activity based on factors such as: Internal Audit History (previous assurance opinions, time since last review), Inherent Risk (operational, technical, reputational & people), Materiality (income, expenditure, planned savings), and Audit Management knowledge experience.



In accordance with the PSIA Standards, the plan needs to be flexible to respond to the changing risks and priorities of the Council and, to this end, audit planned activity will be regularly reviewed and changes reported to management and the Audit Committee.

4. Detailed Internal Audit Plan

This listing records the core activity of the Internal Audit Service and the planned audit reviews as of 1st April 2025.

Work in addition to that in the plan is also delivered through audit investigations and general advice to service areas, as is required.

	Audit Review	Director Portfolio
1.	Adult Safeguarding Improvement Plan Implementation Q2 Audit	Operations - Adults
2.	CQC Regulated Services	Operations - Adults
3.	Children Services - Budget Management & Monitoring	Operations - Children
4.	SEND Payment Process (Consultancy)	Operations - Children
5.	City Regions Sustainable Transport Settlements (CRSTS) - Delivery of Projects	Sustainable Communities - Capital & Housing Delivery
6.	Property - Commercial Estate (Income collection and Debt Management)	Resources - Commercial Estate
7.	Debt Management	Resources - Financial Services
8.	Property - Commercial Estate (Voids Management)	Resources - Commercial Estate
9.	Contract Management - Highways Maintenance	Operations - Place Management
10.	Payroll - Contingency Planning – (Failure of Payrun processing)	Resources - People & Change
11.	Pixash Waste and Highways Facility	Operations - Place Management
12.	Adult Direct Payments	Operations – Adults
13.	'Follow-Up' on 2023/24 (2024/25 published) External Audit Annual Report weakness / recommendations	Resources - Financial Services
14.	IT - Public Website Security	Resources - Digital & Customer
15.	IT - Privileged Account Access - IT Administration excl. fin systems	Resources - Digital & Customer

	Audit Review	Director Portfolio
16.	IT - Patch Management	Resources - Digital & Customer
17.	IT - IT Change Board Operations	Resources - Digital & Customer
18.	Adult Care Adaptations - Use of Disabled Facilities Grants – <ul style="list-style-type: none"> - Stage 1 Review Pathway. - Stage 2 Implementation of system / work flow changes and impact on Improvement Plan. 	Operations - Adults
19.	Virtual School (Statutory Responsibilities)	Operations - Children
20.	Early Years Capacity (Statutory Responsibilities)	Operations – Children
21.	Grant Funding Requiring Audit Certification	All
22.	Governance - Annual Governance Statement	All
23.	Governance - Audit Committee, Boards, Advice and Guidance	All
24.	Follow-up of Previous Year Recommendations	All
25.	Fraud Prevention - National Fraud Initiative (NFI)	All
26.	Fraud Prevention - Training, Advice and Guidance	All

5. Other Key Components of Internal Audit Planned Work

1) Fraud – Prevention & Detection

Counter-fraud and corruption arrangements are a high priority for the Council and assist in the protection of public funds and transparency & accountability. Under the Council's Financial Regulations, the Internal Audit Team must be informed of any 'financial irregularities' and we are committed to responding timely to any reported or identified cases through carrying out our proactive work. Our proactive anti-fraud and corruption testing is focussed on those areas / systems considered to be most at risk to fraud.

The CIPFA guidance ('Code of practice on managing the risk of fraud and corruption') and the CIPFA Fraud and Corruption Tracker (CFaCT) survey assist in assessing fraud and corruption risks and planning the work of the Internal Audit Team. Nationally, the notable areas of fraud include Housing Benefit, Council Tax, Housing and Tenancy, Procurement, Insurance, Blue Badges, and Direct Payments (Social Care). These areas and the risks are considered as part of the audit planning process.

In terms of other proactive work, the Cabinet Office runs a national data matching exercise (National Fraud Initiative - NFI) every two years. Information must be extracted from several Council databases and uploaded to the NFI database run. The latest extraction and matching of data was carried out through October 2024 to February 2025, and the matched data reports have been made available to participating bodies for review purposes. The Internal Audit Team will provide

support to service areas that are required to examine data matching reports and investigate matches flagged.

The Council has an adopted an Anti-Fraud and Corruption Strategy and associated policies and these have been reviewed and updated in 2025. Staff awareness of fraud and scams is very important, and the Internal Audit service provide training and regular bulletins to ensure that staff are reminded of the risks and the need for continued diligence. This work will continue throughout 2025/26.

2) Corporate Governance

The Accounts and Audit Regulations require the Council to carry out an annual review of its governance arrangements, and to produce an annual statement detailing the results of that review.

The AGS must be seen as a Council wide document, and it is reviewed and approved by the Audit Committee. The Leader of the Council and the Chief Executive are required to sign the document which is then published with the Council's Statement of Accounts.

The Internal Audit Team provide support by using an adopted methodology to carry out an Annual Governance Review.

3) Independent Certification of Grant Funding

Significant funding is provided to the Council by funding bodies such as the West of England Combined Authority and Government Departments. The Internal Audit Team are required to independently verify expenditure and provide opinion on whether expenditure is in compliance with Grant Terms & Conditions.



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