



Specialist Professional Services

# Draft Internal Annual Audit Plan 2026/27

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## Prepared for:

**Bath & North East  
Somerset Council**

Improving People's Lives



## 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.

By providing independent assurance that is both robust and constructive, Internal Audit plays a vital role not only for services, but also for elected Members and the wider community. The work of Internal Audit provides independent assurance over the effective operation of the Council and the stewardship of its assets and resources for the benefit of all stakeholders.

## Our Role and 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.

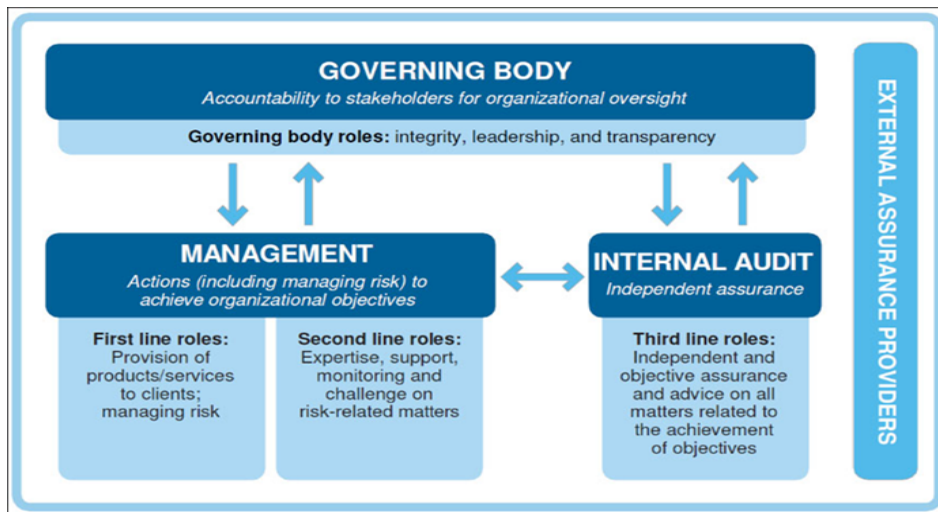


Fig 1. IIA Three Lines Model

We aim to offer continued value to all of our clients based on the following key priorities:

- Use of our Reasonable Assurance Model
- Maximising use of technology
- Investment in skills
- Offering complimentary assurance services
- Providing Value for Money.

The remainder of this document outlines our approach and the indicative areas for our audit and assurance plan for 2026/27.



## Purpose, Policies and Principles for Bath & North East Somerset

The Council's Corporate Strategy sets out its purpose, values, core policies and principles, as well as an extended outcomes framework to further refine its priorities: [Bath & North East Somerset Council – Corporate Strategy 2023-2027](#)

The Council has one overriding purpose - to improve people's lives. This underpins everything they do, from street cleaning to caring for older people, and guides their strategy, priorities, spending and service delivery.

This purpose is reflected in their shared values - Bold, Empowered, Supportive and Transparent - which underpin what they do, how they approach their work, and the type of Council they want to be. Overall, their values make the assumption that all employees commit to a common code of decency and demonstrate these qualities when carrying out their jobs. They believe that collective aspirations will help to successfully achieve the core purpose to improve people's lives.



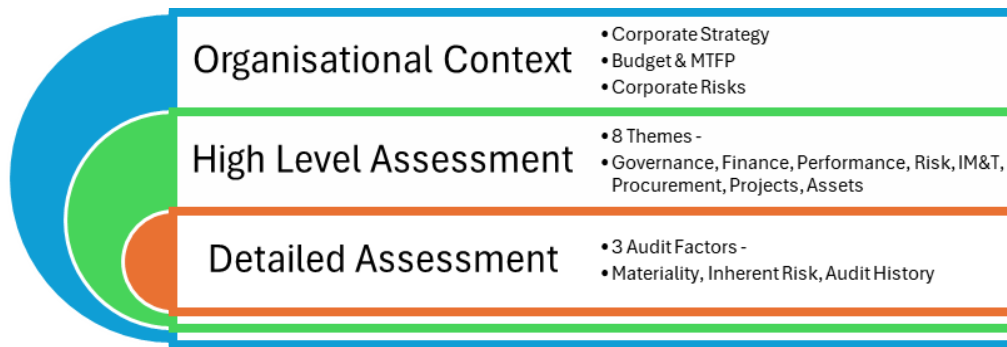


## How the Internal Audit Plan is Compiled

Our annual audit planning process is undertaken based on the Reasonable Assurance Model.

The Reasonable Assurance Model is based on the fundamental requirement that the audit plan proposed will deliver sufficient work to enable the Head of Audit to independently assess the internal control framework and give a reasonable assurance opinion at the end of each year.

The planning process involves considering the current context of the Council, what a 'healthy organisation' requires to operate effectively, and then assessing independently against this in a staged process as follows:



*Fig 2. Reasonable Assurance Model*

A key component of the audit needs assessment uses the adopted Reasonable Assurance Model to assess the level of assurance in place over eight themes:



*Fig 3. Eight Themes of Reasonable Assurance*



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 Global Internal Audit Standards (GIAS), the plan needs to be flexible to respond to the changing risks and priorities of the Council and, to this end, planned audit activity will be regularly reviewed and changes reported to management and the Audit Committee.

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## Internal Audit Plan 2026/27

This listing records the core activity of the Internal Audit service and the planned audit reviews to commence as of 1st April 2026. The recorded indicative quarter scheduling is a proposal of timing of each review but is intended as a guide only and is subject to change.

	Planned Audit Reviews 2026/27	Indicative Quarter	Area
1	Governance - Annual Governance Statement	All	AR&P
2	Governance - Audit Committee, Boards, Advice and Guidance	All	AR&P
3	Follow-up of Previous Year Recommendations	All	AR&P
4	Fraud Prevention - Data Analytics	All	AR&P
5	Fraud Prevention - National Fraud Initiative (NFI)	All	AR&P
6	Fraud Prevention - Training, Advice and Guidance	All	AR&P
7	Grant Funding Requiring Audit Certification (see separate table below)	Q1	AR&P
8	Use of Volunteers	Q3	People & Change
9	New iTrent - Payroll Implementation and Controls	Q1/Q2	AR&P & People & Change
10	ERPx Financial Management System	Q4	AR&P
11	Procurement - Contract Management	Q2	AR&P
12	Debt Recovery / Debt Management	Q4	Resources
13	Overpayments to Staff	Q1	Resources
14	Cloud Cost Management (Azure)	Q2	IT
15	Cyber Security - AI Governance	Q3	IT
16	IT - In-House Software Development: Governance & Control Baseline Position Statement	Q3	IT
17	IT - Supply Chain Risk	Q2	IT
18	Section 106	All	Planning & Building Control
19	Licensing Fees and Charges	Q1	Place Management
20	Keynsham Recycling Hub	Q4	Place Management
21	Highways - Scheme Prioritisation	Q1	Place Management
22	Fleet Management	Q1/Q2	Place Management
23	Community Resource Centres & Extra Care Income - Residents' Monies	Q1	Adults
24	Partnership Working and Commissioning Arrangements	Q3	Adults
25	Demand-led budgets for Older People	Q3	Adults
26	St Kenya School - Financial Audit	Q1	Children's
27	Children's High Cost Placements - Governance	Q2	Children's
28	DSG/ SEND - School's White Paper	Q4	Children's



	<b>Planned Grant Certifications 2026/27</b>	<b>Area</b>
1	Active Travel Fund Tranche 4: Residential Cycle Hangars	Transport Strategy
2	ATF5: Clapton Road and Redfield Road Pedestrian Improvements	Place Management
3	Bath Central Riverside	Place Shaping
4	Bath City Centre High Street Renewal Project: Love Our High Street Bath HSR (LOHS)	Place Shaping
5	Bath River Line	Place Shaping
6	Bathscape Landscape City Framework	Place Shaping
7	CRSTS Grant MSN & Westfield, Walking, Wheeling & Cycling Links	Capital & Housing Delivery
8	CRSTS Grant Somer Valley Links	Capital & Housing Delivery
9	CRSTS Grant Bath City centre Phase 1	Capital & Housing Delivery
10	CRSTS Grant Bath Walking, Wheeling & Cycling Links	Capital & Housing Delivery
11	CRSTS Grant Resource Funding	Capital & Housing Delivery
12	CRSTS Grants for LN's.	Capital & Housing Delivery
13	CRSTS maintenance challenge fund	Capital & Housing Delivery
14	CRSTS Walking and Cycling - Bath Quays Links	Place Management
15	CRSTS Bath City Centre Phase2	Capital & Housing Delivery
16	CRSTS BBSC Toucan Crossing	Capital & Housing Delivery
17	CRSTS Scholars Way Delivery	Capital & Housing Delivery
18	CRSTS BQL Delivery	Capital & Housing Delivery
19	CRSTS BCC1 Delivery	Capital & Housing Delivery
20	Digital Office	Place Shaping
21	Effective Transitions Fund	Children's
22	Green Infrastructure Implementation	Place Shaping
23	HREF	Place Shaping
24	Milsom Quarter Project	Place Shaping
25	MSN market Square	Place Shaping
26	North Keynsham SDL	Place Shaping
27	Office for Low Emission Vehicles (OLEV) Bid	Transport Strategy
28	Pothole Grant & LATS	Place Management
29	Regional Employment Service	Place Shaping
30	Somer Valley Rediscovered	Place Shaping
31	Somer Valley Enterprise Zone	Capital & Housing Delivery
32	Strategic Masterplanning for BANES Local Plan - Phase 1&2	Planning & Building Control
33	UK Social Prosperity Fund: Radstock Town Centre	Place Shaping
34	UKSPF RURAL Trinity & Fairy Hill	Place Shaping
35	Universal Business Support Service UBS	Place Shaping
36	Water Space Connected	Place Shaping



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37	Youth Guarantee Trailblazer	Place Shaping
38	LEVI Capability Fund	Place Management
39	LEVI Investment Fund	Place Management
40	Fieldings Bridge	Transport Strategy

A contingency of resources is retained for matters arising in year. Work in addition to that in the plan is also delivered through audit investigations and general advice to service areas, as is required.

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## Other Key Components of Internal Audit Planned Work

### Fraud – Prevention and 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 service 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'), the CIPFA Fraud and Corruption Tracker (CFaCT) survey, and the Fighting Fraud and Corruption Locally strategy, all assist in assessing and informing fraud and corruption risks and planning the work of the Internal Audit service. Nationally, the notable areas of fraud relevant to the Council include; Cyber Fraud, Council Tax/ Single Person Discount, Housing, Business Rates, Procurement, Blue Badges, and Direct Payments (Social Care). These areas and the risks are considered as part of the audit planning process and this is evident in the list of audit reviews recorded above, as well as in previous audit plans.

In terms of other proactive work, the Cabinet Office runs a detailed 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 Council has an adopted an Anti-Fraud and Corruption Strategy and associated policies and these have been reviewed and updated in 2026. 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 2026/27.

### Corporate Governance

The Accounts and Audit Regulations require the Council to carry out a 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.

Internal Audit provide support by using an adopted methodology to carry out an Annual Governance review.



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