



Internal Audit 2025/26 Planning and Emerging Themes Report

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Responsible Director:	Cecilie Booth, Executive Director of Corporate Services and Section 151 Officer
Cabinet Member(s) responsible:	Councillor Mohammed Jamil, Deputy Leader and Cabinet Member for Finance and Corporate Governance

Executive Summary:

This report is submitted to the Audit Committee as a routine planned report on the development of the 2025 / 2026 Internal Audit plans. The purpose is to provide Members with details of Internal Audit's annual planning approach, emerging issues and risks that Internal Audit need to provide assurance over. It provides an opportunity for Members to consider these themes and provide input into the development of the Audit Plan.

Recommendations:

The Audit Committee is recommended to review and comment upon the emerging themes to be considered for inclusion in the 2025 / 2026 Internal Audit Plan.

1. Purpose

- 1.1 In accordance with the Public Sector Internal Audit Standards (PSIAS), the Chief Audit Executive must develop a risk-based plan to determine the priorities of the internal audit activity. It must also explain how the planned assurance delivery links to the organisational objectives and priorities.

2. Background and key issues

- 2.1 Within Peterborough City Council (PCC), the role of Chief Audit Executive is undertaken by the Chief Internal Auditor. The Internal Audit Team comprises 6.1 Full Time Equivalent staff. We currently have one Senior Auditor vacancy and the Chief Internal Auditor's time is split with two other teams (Insurance and Investigations) and his role on the board of Peterborough Ltd.

	Number	FTE
Chief Internal Auditor	1	1.00
Group Auditor	2	1.60
Principal Auditor	1	0.50
Senior Auditor	2 *	2.00
Auditor	1	1.00

There is presently a recruitment embargo within the organisation which has limited the resources within the team. Draft 2025/26 budgets for the team require savings to be made which indicates that recruitment will not be possible in the present establishment. This, in addition to the further budget pressure to fund the external review of the service will limit the ability to fund additional resources. The use of RSM and what can be delivered with any residual budget funds is presently being established.

- 2.2 In an ever-changing risk and control environment it is important that audit plans can adapt quickly to the needs of the organisation. To ensure a flexible and prioritised approach to our work, we utilise an assessment and planning tool which is used throughout the year on a rolling basis. This helps to ensure that at the point of each piece of work commencing, it is the next highest priority one according to our risk assessment.
- 2.3 Consultation and research are currently underway to determine themes and areas for audit work. This includes consulting with senior management and reviewing risk registers, budgets, plans and strategies, decisions, project and contract registers. Cabinet members have also been approached and the Audit Committee is similarly invited to input to the process as part of this report. The approach and emerging themes are further detailed in Appendices A and B within this report.

3. Corporate Priorities

- 3.1 The Internal Audit Plan is developed to assist the organisation in achieving its corporate priorities and objectives. Individual audit assignments are linked to corporate strategy, priorities and risks. Further information regarding this will be detailed in the developed audit plan which will be presented to Audit Committee on 24 March 2025.

4. Consultation

- 4.1 Directors and Heads of Service have been invited to input into the planning process to date. Consideration of any information received has been incorporated into this report where applicable and further consultation is in train with Directors and their Management Teams.
- 4.2 The Audit Committee is similarly invited to input into the annual planning process by way of this report. Any areas identified will be assessed for inclusion within the plan in accordance with the planning tool (See Appendix A).

5. Financial Implications

- 5.1 The Audit Plan needs to be deliverable within available resources and the achievement of the audit plan will require that the current structure remains intact throughout the year and that vacancies are filled. Budget pressures have indicated that resource requirements will be reduced and the impact will be determined during the planning process, once budgets are finalised.
- 5.2 Any changes to the structure and resourcing of Internal Audit will result in a further review of our programme of work and this will be reported to the Audit Committee.

6. Value for money

- 6.1 The audit plan is developed to use resources where value can be added to the business in providing assurance and protecting the public purse. Consideration is given where third party reviews are undertaken to avoid duplication. Audit assignments are similarly undertaken to identify value for money generally as part of its scope.

7. Legal implications (to be completed by the Legal team only after all other comments)

- 7.1 The Accounts and Audit regulations 2015 require the Council to have a sound system of internal control which includes effective arrangements for the management of risk, controls and governance.

8. Equalities

- 8.1 The identification of risks and the proper management of those risks will ensure that:
- The Council's environmental policies and ambitions can be met; the Council is able to mitigate against potential financial losses, litigation claims and reputational damage; the Council is able to effectively deliver the strategic priorities.

9. Options considered

- 9.1 **None.**

10. Background documents

- 10.1 Council Risk Registers
- 10.2 Medium Term Financial Strategy MTFS

11. Appendices

- 11.1 Appendix A – Consultation Document 2025/26
- 11.2 Appendix B – Planning and Assessment Tool