

By: Russell Smith – Interim Head of Internal Audit

To: Governance and Audit Committee – 23 July 2026

Subject: **ROLLING INTERNAL AUDIT PLAN 2026/27,
INTERNAL AUDIT STRATEGY + INTERNAL AUDIT
CHARTER**

Classification: Unrestricted

Summary: This report details the proposed Rolling Internal Audit Plan for 2026/27; the Internal Audit Strategy and Charter, which underpins the plans and practice of the Internal Audit team and the key performance indicators to be tracked and monitored during 2026/27.

Recommendation: FOR DECISION

Introduction

- 1) The Global Internal Audit Standards (GIAS) require the Internal Audit service to produce a risk-based audit plan. This paper sets out the proposed 2026/27 Rolling Internal Audit Plan (Plan), including a summary of the available resources.
- 2) The 2026/27 Plan will be a rolling 6-month plan, to allow more flexibility to incorporate changing and emerging risks into the Plan, replacing the previous fixed annualised audit planning approach.
- 3) This paper sets out the following:
 - The current priority audits. These Audits have been prioritised using our risk-based assessment and evaluation methodology, following the criteria detailed below. A significant proportion of the priority audits will be undertaken throughout the year. Internal Audit will focus deliver against priority audits identified and ensure sufficient coverage against 8 themes of Corporate Health, Corporate Risks and those linked to Securing Kent's Future. The audits contained in the plan will be risk assessed throughout the current year.
 - A reserve list of audits has also been included and will be considered should the priority audits included should the risk landscape change. The significance and priority of all potential audits identified within the audit planning process, will be continually risk assessed throughout the year.
 - The key performance indicators to track and monitor audit plan delivery and service performance during 2026/27.
 - The Internal Audit Strategy is a mandatory requirement of the Global Internal Audit Standards that must include a vision, strategic objectives, and supporting initiatives for the internal audit function. This has been updated following the outcomes of the recent External Quality Assessment.

- The Internal Audit Charter is also a mandatory requirement of the Global Internal Audit Standards, which should be reviewed and updated periodically. The Charter sets out the purpose, authority and responsibility of Internal Audit.

2026-27 Internal Audit Plan

- 4) The Global Internal Audit Standards (GIAS) stipulates the need for the development of an Audit Plan.
- 5) To enable the Internal Audit service to be more flexible and adaptive to changing priorities and emerging risks, the Plan for 2026/27 will be a 6-month rolling Plan. This dynamic approach will ensure optimum value to the Council and stakeholders and more effective deployment of audit resources.
- 6) The Plan will be reviewed every 3 months by completing an assessment of all potential audits identified against the following criteria:

Significance How important is the activity to the Council in achieving its objectives, key plans and managing its risks?

Sensitivity How much interest would there be if things went wrong and what would be the reputational impact?

Time When is the best time for the audit to be completed?

- 7) The quarterly review will also consider an evaluation of relevant business intelligence to identify new priorities / emerging risks and potential audit areas.
- 8) Another key consideration, when reviewing and updating the Plan throughout the year, will be to ensure there continues to be sufficient coverage of the 8 themes of Corporate Health, which are utilised to ensure there is sufficient coverage for the Head of Internal Audit's Annual Opinion in July 2027.
- 9) Any amendments to the Plan will be reported to the Governance and Audit Committee.
- 10) The Plan for 2026/27 is attached at **Appendix A**. This includes 100 potential priority (42 Audits) and reserve audits (58), which are spread across the Directorates as follows:

Directorate	Number of Audits
Cross-Directorate	21
Adult Social Care & Health	16
Chief Executive Directorate	15
Children, Young People and Education	18
Deputy Chief Executive	22
Growth, Environment & Transport	8
Total Audits	100

- 11) The Plan has been developed through a risk-based planning process, including the following elements:
- A review of the corporate and division risk registers and discussion with the Corporate Risk Manager.
 - Discussions with Corporate Directors, Directors and Heads of Service.
 - Attendance at Directorate Management Team meetings.
 - Horizon scanning to identify emerging risks and issues.
 - Organisational priorities linking to Securing Kent's Future.
 - A review of audits deferred from the 2025/26 Plan.
 - Undertaking an assessment to determine the required coverage needed for the Head of Internal Audit's Annual Opinion for 2026/27.
 - A review of the Council's Annual Governance Statement.
 - A review of previous cyclical / core audit work.
 - Identification of audit reviews to be followed up.
 - Consideration of other sources of assurance.
- 12) The Plan includes some audits with specific scope areas where this has already been identified and some audits where scope is still to be determined.
- 13) The Plan does not detail the number of days to be assigned to the individual audits, but it does illustrate the total days / resources available.
- 14) **Appendix A** sets out how the audits listed on the Plan map to the Reasonable Assurance – 8 Themes of Corporate Health, KCC's Corporate Risks and to Securing Kent's Future.
- 15) In addition to the projects listed on the Plan, there is also have **30** days set aside for grant certification work.
- 16) The outcomes from the 2026/27 Plan will provide the following:
- Overall opinion and assurance to support the 2026/27 Annual Governance Statement.
 - Assurance against the mitigation of key corporate risks.
 - Assurance over the critical systems of the Council.
 - On-going advice and information to management on risks and controls.
 - Opportunities to provide management with value for money support and advice.
- 17) Excluded from Appendix A are detailed plans for:
- Internal Audit coverage of Commercial Services Group
 - Income generating and shared service work with Tonbridge and Malling Borough Council, Kent and Medway Fire and Rescue Service, Canterbury Cathedral, Parish Councils and audits of selected grants.

Resources

- 18) Based on the current Team resources, the total days available for 2026/27 is **1978** days.
- 19) The number of audit days available for the KCC 2023/24 Audit Plan is estimated to be **989**.
- 20) A summary of the overall Audit Plan is illustrated below:

2023/24 KCC Audit Plan	Days
KCC	989
Contingency	50
Audit Development	50
Sub-Total	1089
External Clients	859
Grants	30
Sub-Total	889
Total	1978

- 21) Based on the current staffing levels and assumptions, there is sufficient resource to deliver the 2026/27 Audit Plan.

Key Performance Indicators

- 22) **Appendix A** sets out the Key Performance Indicators (KPI's) to be tracked and monitored during 2026/27. The updated KPI's reflect an ongoing trend to increasing outcome-based monitoring of the Internal Audit service.

Internal Audit Strategy

- The Global Internal Audit Standards (GIAS) includes a mandatory requirement (Standard 9.2) for the Chief Audit Executive (CAE - Head of Internal Audit at KCC) to:

“...develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organisation.” The Standard further specifies that the strategy “include a vision, strategic objectives, and supporting initiatives for the internal audit function.”

- The External Quality Assessment presented to Governance and Audit Committee in May 2026 detailed the suggested action to enhance the Internal Audit Strategy with defined objectives with implementation plans, and defined Key Performance Indicators (KPIs).
- The Internal Audit Strategy which is attached at **Appendix B** has been reviewed to ensure it remains fit for purpose and has been refreshed to incorporate these points.

Internal Audit Charter

- It is a requirement of the Global Internal Audit Standards (the Standards) that the purpose, authority and responsibility of Internal Audit is formally defined in an Internal Audit Charter and that this be periodically reviewed and presented for approval to senior management and the Board (defined as the Audit Committee in the Local Government Application Note by CIPFA).
- The Charter, which is attached at **Appendix C** has been reviewed to ensure it remains fit for purpose to support delivery of the 2026/27 Plan and is compliant with the Standards. No amendments have been made to the Charter previously submitted in January 2025.

Conclusions

- 23) The Plan provides sufficient coverage of the Council's current and emerging risks and priorities, with sufficient flexibility to add further reviews onto the plan as needed. There will be sufficient resources to deliver the proposed Plan.

Recommendations

- 24) Members are asked to:
- Agree the proposed Rolling Internal Audit Plan for 2026/27
 - Approve the Internal Audit Strategy
 - Approve the Internal Audit Charter
 - Note the Key Performance Indicators for 2026/27

Appendices:

Appendix A - 2026/27 Audit Plan
Appendix B - Internal Audit Strategy
Appendix C - Audit Charter

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