



Hyndburn
Borough Council

Internal Audit Plan

2026/27

INTERNAL AUDIT PLAN 2026/27

Changes & Improvements

There have been no major structural changes to the Audit Plan as it rolls forwards into 2026/27.

Following consultation with Heads of Service, Chief Officers, Management Team and the review of the Risk Registers, there are 2 new areas added to the audit plan, both are listed under Ad-hoc Work & Investigations. The Head of Audit & Investigations will determine whether the new areas listed under Ad-hoc Work & Investigations are absorbed into a larger audit engagement or whether they remain as a separate area and are transferred to the relevant section of the Audit Plan as a permanent addition to the audit universe at the end of 2026/27. In addition, there are also 5 other audit areas within the Ad-hoc Work & Investigations section of the Audit Plan. These remain within this section of the Audit Plan in 2026/27. Two of these 5 audit areas are carried forward from the 2025/26 Audit Plan. Following risk scoring, both are included in the 2026/27 Audit Plan. The remaining 3 areas do not have a time allocation within the 2026/27 Audit Plan.

As part of the changes made to the Audit Plan for 2026/27, 10 audit areas have been deleted / moved from the Ad-Hoc Work & Investigations section of the Audit Plan. Five have been moved to Grant Funding Initiatives. Two have been merged into their respective Core Systems. One was moved to Non-Core Systems. One was deleted as it already exists within Audit Advice and the final one was deleted because the area of work has concluded and the resultant actions are ongoing.

Within the audit plan 10% of the total days available are set aside as contingency days. These are used in the case of unplanned ad-hoc work being required or it being necessary to carry out investigations.

The risk assessment process for each audit area is based upon 9 risk criteria. All 3 risk registers have been cross-referenced to the audit plan. The scoring mechanism in the Audit Plan risk assessment for the risks gives greater weight not only Strategic Risks but also the level of risk such as High, Medium or Low. Areas with multiple risks have their score based on the highest level of risk. As an example Operational High risk scores more highly than a Strategic Low Risk and therefore the score for Operational High risks would be applied.

The risk assessment process also recognises that some areas may be of importance to the control environment but might not pose a significant enough risk to be listed in the registers. Such areas may still be audited if they score highly in other criteria.

The allocation of days has been quite stringent in order to allow the maximum coverage possible with the resources available. Where audit areas have been reviewed previously the allocation of days has taken into consideration what is realistically achievable based on previous knowledge.

Areas that are Priority

- Core Systems – These are the Council's core financial systems and remain a priority. External Audit place reliance on core systems for gaining assurance in their audit of the Council's Financial Statements. Not all core systems will be examined, only those with the highest risk scores, 3 of the systems will be reviewed in 2026/27.
- Grant Funding Initiatives – Relied on by External Audit and other Partners.
- There are 13 High scoring areas, all of which are included within the 2026/27 Audit Plan.
- There are 98 medium scoring areas of which 17 are included in the 2026/27 Audit Plan. Additional audit areas from the 81 excluded will be added into the audit plan in the event that there are unused contingency days available or other days allocated within the plan are unused e.g. planned audit work uses less days than allocated.
- There are 36 low scoring areas, none of which are included in the 2026/27 Audit Plan. None of these areas are likely to be covered in 2026/27 unless there is a significant increase in risks within any of those areas.

Monitoring

- Plan progress monitored monthly by Head of Audit & Investigations
- Performance reported to the Director of Resources
- Performance reported to Audit Committee four times a year
- Annual performance of the plan reported to the Director of Resources, Corporate Management Team, Audit Committee and External Audit
- Performance of the Audit Plan reviewed periodically by the Resources Overview & Scrutiny Committee as part of their review of Service Business Plans
- Audit Plan reviewed annually in consultation with Strategic Directors/Managers and Service Heads in conjunction with External Audit. Approved by Audit Committee.

Mark Beard
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26th January 2026