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# **Internal audit work programme consultation 2025/26**

Governance & Audit Committee

Decision to be taken by: N/A

Date of meeting: 29 January 2025

Lead director/officer: Amy Oliver, Director of Finance

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## Useful information

- Ward(s) affected: All
- Report author: Connor Munro, Assistant Director – Audit Assurance (Veritau)
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- Report version number: 1.0

### 1. Summary

- 1.1 This report outlines arrangements for developing the internal audit work programme. It also asks for the Governance & Audit Committee's views on any areas it thinks should be considered for audit in 2025/26.

### 2. Recommended actions/decision

- 2.1 The Governance & Audit Committee is recommended to:

2.1.1 Provide its views on areas that should be considered a priority for inclusion in the 2025/26 internal audit work programme.

### 3. Scrutiny / stakeholder engagement

- 3.1 The Governance & Audit Committee and senior officers from across the council (including its statutory officers, Strategic Director DMTs, and other heads of service) will be consulted in the preparation of the internal audit work programme for 2025/26. This report presents the first stage in the consultation process.

### 4. Background and options with supporting evidence

- 4.1 Internal audit provides independent and objective assurance and advice on the council's operations. It helps the council to achieve its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.
- 4.2 The Public Sector Internal Audit Standards (PSIAS), and the council's audit charter, require internal audit to draw up an indicative programme of work based on an assessment of risk.
- 4.3 The standards require internal audit to independently form a view on the risks facing the council when developing the work programme. However, they also require the opinions of the Governance & Audit Committee, and those of senior council officers, to be taken into account when forming that view.
- 4.4 A specific public sector requirement for internal audit is that the risk-based plan (or programme) must take into account the need to deliver an annual internal audit opinion.
- 4.5 Internal audit work programmes cover a range of risk areas to ensure that the work undertaken enables Veritau to meet the requirement to provide an overall opinion

on the governance, risk management, and control framework operating in the council.

- 4.6 The consultation report included in appendix 1 contains information on our approach to developing the work programme, background on our internal audit opinion framework, and some examples of arrangements, systems and processes Veritau could review under each area of the framework.
- 4.7 Consultation with senior council officers on proposed 2025/26 internal audit work will be undertaken over the next two months. A draft internal audit work programme will then be brought to this committee in March 2024 for approval.
- 4.8 There are no alternative options relating to this report. The Governance & Audit Committee must be consulted on the development of the internal audit work programme in order to fulfil the requirements of the committee's terms of reference and the internal audit charter, and to ensure compliance with professional standards.

## **5. Financial, legal, equalities, climate emergency and other implications**

### 5.1 Financial implications

There are no financial implications arising directly from this report.

Signed: Amy Oliver, Director of Finance

Dated: 17 January 2025

### 5.2 Legal implications

There are no direct legal implications arising from this report. Robust internal audit arrangements form part of a suite of measures designed to promote financial integrity, legal compliance and overall good governance.

Signed: Kamal Adatia, City Barrister & Head of Standards (Monitoring Officer)

Dated: 14 January 2025

### 5.3 Equalities implications

The Council has responsibility for establishing and maintaining appropriate risk management processes, control systems and governance arrangements. An internal audit helps ensure local government provide services effectively. There are no equality implications arising directly from this report. People from across all protected characteristics should benefit from the work of the committee and the audits that are conducted and reported on by ensuring the effectiveness of the Council's internal control system.

Signed: Surinder Singh, Equalities Officer

Dated: 13 January 2025

### 5.4 Climate Emergency implications

Addressing the climate emergency remains a key strategic priority for the council, with its strategy and action programme recently having been updated through the adoption of the

Climate Ready Leicester Plan for 2023-2028. The council's ambition remains to reach 'net zero' for both its own estate and operations, and for the wider city, with an acknowledgement that the target date of 2030 is increasingly challenging and will be reviewed. The plan also addresses the need for adaptation to the climate impacts we are already seeing – and which will become more severe in the coming years.

The major risks to the council and the city both from escalating climate impacts, and from the challenges of transitioning from fossil fuel reliance to net zero technologies is reflected in the Strategic Risk Register in risk number 6.1: "The impacts and requirements arising from climate change" which is scored as a high risk and is relevant to all service areas.

This should be considered when deciding the content of the forthcoming audit programme.

Signed: Duncan Bell, Change Manager (Climate Emergency)

Dated: 13 January 2025

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None.

**6. Background information and other papers:**

None

**7. Summary of appendices:**

Appendix 1 – Internal audit work programme consultation report 2025/26

**8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

**9. Is this a "key decision"? If so, why?**

No