Risk, Audit and Governance Committee

21 July 2026
Agenda item number 8

Internal Audit Annual Plan 2026/27

Report by Head of Internal Audit

Summary

The Committee receives the Internal Audit Plan for review and approval. This report forms part of the overall reporting requirements to assist the Authority in discharging its responsibilities in relation to the internal audit activity.

Recommendation

The Committee is requested to approve the Internal Audit Plan 2026/27.

1. Introduction

1.1. An Internal Audit Plan for 2026/27 has been established with senior management and is shown in Appendix 1 of the report.

1.2. The budget for internal audits has been increased by the CPI% applied to the contractor's daily rate and three audits have been identified filling the days available. These audits focus on providing assurance against corporate risks and / or strategic priorities.

Author: Teresa Sharman

Date of report: 22 June 2026

Broads Plan strategic objectives: All

Appendix 1 – Internal Audit Plan 2026/27

Appendix A

EASTERN INTERNAL AUDIT SERVICES

BROADS AUTHORITY

Updated Internal Audit Plan 2026/27

Head of Internal Audit: Teresa Sharman

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Executive Summary

Introduction

Background

Annually the Head of Internal Audit is required to provide an annual opinion on the Authority's framework of governance, risk management and control, to those charged with governance to support the Authority's Annual Governance Statement (AGS).

To achieve this, a risk-based internal audit plan is developed, and audits are carried out.

What do the Standards say?

Creating a plan

In accordance with the Global Internal Audit Standards (GIAS): -

'The chief audit executive must create an internal audit plan that supports the achievement of the organisation's objectives. The chief audit executive must base the internal audit plan on a documented assessment of the organisation's strategies, objectives, and risks. This assessment must be informed by input from the board (Audit Committee) and senior management as well as the chief audit executive's understanding of the organisation's governance, risk management and control processes. This assessment must be performed at least annually.'

'The Internal Audit Plan must: -

- Consider the Internal Audit Mandate and the full range of agreed-to internal audit services.
- Specify internal audit services that support the evaluation and improvement of the organisation's governance, risk management, and control processes.
- Consider coverage of information technology governance, fraud risk, the effectiveness of the organisation's compliance and ethics programme, and other high-risk areas.
- Identify the necessary human, financial, and technological resources necessary to complete the plan.

- Be dynamic and updated timely in response to changes in the organisation's business, risk operations, programmes, systems, controls, and organisational culture.'

Review, revise and changes to the Plan

'The chief audit executive must review and revise the Internal Audit Plan as necessary and communicate timely to the board (Audit Committee) and senior management: -

- The impact of any resource limitations on Internal Audit coverage.
- The rationale for not including an assurance engagement in a high-risk area of activity in the Plan.
- Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.
- Limitations on scope or restrictions on access to information.'

'The chief audit executive must discuss the internal audit plan, including significant interim changes with the board (Audit Committee) and senior management. The plan and significant changes to the plan must be approved by the board (Audit Committee).'

Flexible plan

The Plan is flexible and can be updated in response to changes in the business, risk operations, programmes, systems, controls, and organisational culture as necessary during the year. Any changes will be informed to the Committee.

Approach to audit planning

The Standards require an organisational risk assessment to be completed at least annually as the basis for the plan. Reliance has been placed on the Authority's risk information as detailed in its Risk Register.

The Authority's audit and risk universe is the Authority's corporate risks and key themes and its business services, processes, programmes, and systems. Each audit in the Plan links back to a corporate risk or key theme where relevant.

Last year, the Head of Internal Audit met with the management team and discussed what audits would be beneficial to the Authority. This discussion covered audits for 2026/27 as well which were confirmed as still being relevant with the current CEO and Director of Resources.

Appendix 1 below shows the high-level audit and risk universe and in Appendix 2 the full Internal Audit Plan 2026/27 in detail.

Internal Audit Resources

What to the Standards say?

'The chief audit executive manages resources to implement the internal audit function's strategy and achieve its plan and mandate.

Managing resources requires obtaining and deploying financial, human, and technological resources effectively. The chief audit executive needs to obtain the resources required to perform internal audit responsibilities and deploy the resources according to the methodologies established for the internal audit function.'

Financial

The budget for 2026/27 has received at 3.8% CPI% (rate in September and October 2025) increase on the 2025/26 budget in line with contractor's contract.

Staffing

The role of the Head of Internal Audit is provided by South Norfolk Council through the Eastern Internal Audit Service (EAIS) Consortium to the district councils for Breckland, Broadland, North Norfolk, and South Norfolk, Norwich City Council and Great Yarmouth Borough Council, and the Broads Authority. All Councils are bound by a Partnership Agreement.

The delivery of the internal audit plans for each Council is provided by a contractor, who reports directly to the Head of Internal Audit at South Norfolk Council. Other than the Head of Internal Audit, staffing within EIAS include a Senior Internal Auditor and a Trainee Internal Auditor.

Technology

Further details on the strategy for technology will be in the new Internal Audit Strategy once completed.. Currently, data analytics is used for full population testing in some audits. AI is used in audit work for background research, writing risks, and summarising findings in report writing. It is not currently used in audit testing. In data analytics, AI is it used to write formulas and measures when dashboards are completed for audit and administrative work.

Appendix 1 – High-level Audit and Risk Universe

Key themes		
Theme A: Responding to climate change and flood risk	Theme B: Improving landscapes for biodiversity and agriculture	Theme C: Maintaining and enhancing the navigation
Theme D: Protecting landscape character and the historic environment	Theme E: Promoting understanding and enjoyment	Theme F: Connecting and inspiring communities

Corporate Risks (scored in January 2026)		
Loss of staff - 12	Harmful actions undermining public confidence in Broads Authority - 6	Reduction in income and increase in costs - 12
Safety-related incidents (operational works) resulting in death or serious injury - 10	Safety-related incidents (boating) resulting in death or serious injury - 15	A cyber security event or a loss of service -12
A breach in data security or data protection - 8	Devolution and Local Government Reorganisation - 9	Failure to meet statutory purposes or requirements of other relevant legislation - 4

Appendix 2 - Internal Audit Plan 2026/27

Audit Area	No. of Days	Qtr	Key theme / Corporate Risk	Rationale for Audit	Overarching Assurance
Net Zero	12	2	Theme A: Responding to climate change and flood risk A2 - Work towards making all Broads Authority operations carbon neutral by 2030 and carbon zero by 2040. A3 - Agree carbon reduction targets for the Broads National Park and promote action to reduce emissions.	Achieving net zero by 2030 is important to reduce climate and flood risks, manage future costs, align with national policy, and demonstrate leadership to influence wider emission reductions across the Broads. An audit is requested.	Assurance the Authority has established effective governance, strategy, plans and performance arrangements to deliver its carbon reduction commitments and support progress towards carbon neutrality in its own operations by 2030 and carbon zero by 2040.
Disaster Recovery	12	3	There is not direct link to any of the Authority's six key themes outlined in its Broads Plan 2022-27. Disaster recovery enables the Authority to achieve its priorities by ensuring resilience, continuity, and trust.	Disaster recovery ensures critical services and systems can be restored quickly after a disruption. If disaster recovery is poor, prolonged outages can halt key functions and prevent objectives from being delivered. An audit is requested.	Assurance that the Authority has robust, tested, and effective arrangements in place to ensure it can maintain critical operations and achieve a full and timely recovery in the event of a cyber-attack. To include the existence of appropriate cyber incident response plans, business continuity arrangements,

Audit Area	No. of Days	Qtr	Key theme / Corporate Risk	Rationale for Audit	Overarching Assurance
			Corporate Risk - A Cyber security event or a loss of service		technical safeguards, and recovery capabilities.
Treasury Management	12	4	There is not direct link to any of the Authority's six key themes outlined in its Broads Plan 2022-27. Effective treasury management supports the achievement of the Authority's strategic objectives. The Authority is committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.	The Authority is responsible for managing cashflow, investments, and borrowing in line with statutory requirements, the CIPFA Treasury Management Code, the Prudential Code, and the Authority's Treasury Management Strategy (TMS) and Capital Strategy. An audit is requested.	Assurance that the Authority's Treasury Management arrangements are fully compliant with statutory and regulatory requirements (CIPFA Codes, MHCLG guidance, TM Strategy), manage cashflow effectively to minimise borrowing and optimise investment returns, are supported by clear governance, decision making and risk management, ensure investments balance security, liquidity and yield appropriately, provide reliable and accurate treasury reporting to Members and are supported by robust internal controls, segregation of duties and data integrity.