

**INTERNAL AUDIT PLAN 2026-27**

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**1. EXECUTIVE SUMMARY**

- 1.1 This report presents the Internal Audit Plan for 2026–27, forming part of the Council’s approved Internal Audit Strategy for 2025–28. The plan has been developed in line with the Global Internal Audit Standards (GIAS), ensuring a risk-based approach that supports the Chief Internal Auditor in providing an annual opinion on the Council’s internal control framework. This opinion contributes directly to the Annual Governance Statement.
- 1.2 The 2026–27 plan (Appendix 1) has been shaped through a comprehensive assessment process, incorporating the audit universe risk assessment, the Council’s strategic and operational risks, and extensive engagement with Executive Directors, Heads of Service, the HSCP Chief Officer, LiveArgyll management and Audit & Scrutiny Committee members. Consideration was also given to organisational change, sector-wide developments, control environments, technological governance and fraud risks.
- 1.3 The plan is structured around three key components:
  1. Service Department Reviews
  2. Continuous Monitoring Programme
  3. Other Audit Activities, including verification work and follow-up reviews.
- 1.4 Each review includes an indicative scope, with detailed terms of reference to be agreed with relevant services during audit planning. The plan is based on 657 available audit days and has built-in contingency to remain responsive to emerging risks and changes in the Council’s risk profile.
- 1.5 Feedback from senior stakeholders across the Council and associated bodies has been incorporated into the final plan.
- 1.6 Overall, the Internal Audit Plan for 2026–27 is risk-aligned, strategically focused, and supports delivery of the Council’s long-term outcomes, corporate priorities and strategic risk management framework.

## **2. INTRODUCTION**

- 2.1 This report introduces the Internal Audit Plan 2026-27 which form part of the approved Internal Audit Strategy covering 2025-28.

## **3. RECOMMENDATIONS**

- 3.1 To agree and endorse the Internal Audit Plan 2026-27 (Appendix 1).

## **4. DETAIL**

- 4.1 The Global Internal Audit Standards (GIAS), specifically Standard 9.4 Internal Audit Plan further requires that the Council has an internal audit plan which must be risk based and focused on governance, risk and controls to allow the Chief Internal Auditor (CIA) to provide an annual opinion on the Council's internal control framework, based on the work undertaken during the year. This annual opinion informs the Annual Governance Statement. In addition, the plan flows from year two of the Internal Audit Strategy which was agreed by the Audit and Scrutiny Committee in March 2025.

- 4.2 The Annual Audit Plan is shown at Appendix 1. The creation of the plan gave consideration to a number of factors including:

- the audit universe risk assessment which is based upon a matrix taking account of scores for each potential audit area in respect of materiality, sensitivity, time elapsed since it was last subject to audit and the overall audit assessment when it was last reviewed
- the Council's strategic risk register and operational risk registers
- input from Executive Directors, the Health and Social Care Partnership (HSCP) Chief Officer, Heads of Service and Audit and Scrutiny Committee members
- a consideration of the need to provide audit coverage across all Heads of Service, the HSCP and LiveArgyll
- significant changes within the Council (i.e. new systems, new policies)
- wider issues in the public sector environment
- an internal audit team meeting to discuss possible areas of focus based on cumulative audit knowledge
- Culture, technological governance, controls in operation and fraud risk

- 4.3 The Audit plan is broken down into 3 main areas which are:

- Service department reviews
- Continuous monitoring programme
- Other Activity

- 4.4 Service department reviews include auditable units within the audit universe which are specific to an individual department. Our continuous monitoring programme includes a number of auditable units which were historically subject to individual annual audits. These areas are now tested on a regular recurring basis with control weaknesses reported by exception. Internal Audit also undertake other activities during the year including verification work and following up on previous internal audit recommendations for improvement.

- 4.5 An indicative outline scope is given for each of the audit reviews. Full terms of reference will be discussed and agreed with the relevant Head of Service as part of the planning process for each audit.
- 4.6 The plan is based on an estimated available 657 audit days with suitable contingency factored in. The plan remains fully flexible, to accommodate changes in the Council's risk profile and /or emerging risks.
- 4.7 Feedback on the draft plan has been obtained from the Heads of Service, the Chief Officer of the HSCP and the Live Argyll General Manager. This has been incorporated into the plan included as appendix 1 to this paper

## **5. CONCLUSION**

- 5.1 The annual audit plan is risk based and is aligned to the Council's long-term outcomes, corporate objectives and strategic risk register. The plan also incorporates continuous monitoring and verification activity.

## **6. IMPLICATIONS**

- 6.1 Policy – None
- 6.2 Financial – None
- 6.3 Legal – None
- 6.4 HR – None
- 6.5 Customer Service – None
- 6.6 Risk – Delivery of an effective internal audit function and plan should help reduce the Council's risk exposure
- 6.7 Climate Change – None
- 6.8 Fairer Scotland Duty – None
- 6.9 Equalities – protected characteristics – None
- 6.10 Consumer Duty – None
- 6.11 Island Communities – None
- 6.12 Children's rights and Wellbeing – None

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### **For further information contact:**

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## **APPENDICES**

Appendix 1 – Internal Audit Plan 2026-27