

Internal Audit & Counter Fraud Shared Service  
Medway Council & Gravesham Borough Council

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# Internal Audit Plan 2026-27

## (Q1 – Q2)

Medway Council

# 1. Introduction

Internal audit services are delivered to Medway Council and Gravesham Borough Council by the Internal Audit & Counter Fraud Shared Service, which was formed on 1 March 2016.

The Internal Audit & Counter Fraud Shared Service recognises and commits to adhere to the mandatory elements of The Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF), including the Global Internal Audit Standards ('the Standards'), as well as the requirements of the Application Note: Global Internal Audit Standards in the UK Public Sector.

The Standards require that the Chief Audit Executive creates, at least annually, an Internal Audit Plan that supports the achievement of the organisation's objectives. The Internal Audit Plan must be based on a documented assessment of the organisation's strategies, objectives and risks and must be informed by input from senior management and the Audit Committee, as well as the Chief Audit Executive's understanding of the organisation's governance, risk management, and control processes. In particular, the Internal Audit Plan must:

- Consider the internal audit function's mandate and the full range of agreed-to internal audit services as documented in the Internal Audit Charter.
- 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 programs, 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, risks operations, programs, systems, controls, and organisational culture.

The Standards also require that the Chief Audit Executive discusses the Internal Audit Plan with senior management and the Audit Committee, and that the Internal Audit Plan must be approved by the Audit Committee.

This Internal Audit Plan is designed to meet the requirements of the Standards and identifies the internal audit services that are anticipated to be provided over the stated period, to help improve the effectiveness of the council's risk management, control, and governance processes, and fulfil the internal audit function's purpose and mandate, as detailed in the Internal Audit Charter.

## 2. Preparation of the Internal Audit Plan (Q1-Q2)

The Internal Audit Plan has been created in line with the Standards and is based on a risk assessment of all auditable areas within the council, which includes the following:

- Review of the council's objectives as set out in the One Medway Council Plan,
- Review of the council's key risks as set out in the Corporate Risk Register,
- Review of the council's ethics related objectives, risks, and control processes,
- Consideration of the council's financial plans and budgets,
- Consultation with Directorate/Divisional Management Teams on service priorities and risks,
- Horizon scanning to identify local and national issues and emerging risks, and
- The results of previous internal audit work (including follow-up work) and other sources of assurance to the council,
- The internal audit function's understanding of the council's governance, risk management, and control processes.

The risk assessment is used, along with knowledge of the council's governance, risk management, and control processes, to ensure that the internal audit function's resources are directed to the highest areas of risk. Although, this is also balanced against when the area was last reviewed and whether there is good coverage of areas across the council, to contribute to the Chief Audit Executive's annual opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management, and control.

Where the work of other assurance providers is known to the Head of Internal Audit & Counter Fraud, the team will seek to review and place reliance on that work to avoid duplication of effort and improve assurance coverage.

### 3. Resourcing

The Internal Audit Plan will be delivered using the in-house resources within the Shared Service, a total of 8.43FTE comprising of 0.65FTE Head of Internal Audit & Counter Fraud, 1FTE Internal Audit Manager, 1FTE Principal Internal Auditor, 5.78FTE Trainee/Internal Auditors (0.22FTE vacant at time of planning). All available chargeable days for the Trainee/Internal Auditors and Principal Internal Auditor (internal auditors') are allocated on the Plan; while resources spent on strategic leadership and management provided by the Head of Internal Audit & Counter Fraud and the Internal Audit Manager are not.

The results of the risk assessment dictate the level of assurance work required to deliver an overall opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. This assessment is based on:

- The professional experience of the Chief Audit Executive,
- The risk maturity of the council and the effectiveness of its governance, risk management, and control arrangements, and,
- The proportion of items identified through the risk assessment considered to be of high risk.

The total chargeable resource available for 2026-27 for Medway is 651 days; of this, 616 days have been allocated to assurance work. This, along with a further 78 days for management of internal audit activity, is considered sufficient to deliver the Internal Audit Plan and provide assurance over enough of the council's activities identified through the risk assessment, for the Chief Audit Executive to deliver an overall opinion on the adequacy and effectiveness of the council's framework of governance, risk management and control.

### 4. Independence & Ethical Conduct

The Standards emphasise the dual responsibility of internal auditors to both personally uphold ethical conduct and to actively encourage and promote an ethics-based culture within the organisation. This commitment to ethical behaviour is particularly significant in the UK public sector, where officers serve not only as professionals but also as servants of the public and stewards of public resources.

The Seven Principles of Public Life (the Nolan Principles): selflessness, integrity, objectivity, accountability, openness, honesty, and leadership, are embedded in the delivery of internal audit activity, alongside all other relevant ethical frameworks, such as the council's code of conduct.

The skills and experience of the in-house team have been considered in preparing this Plan, and all planned work is within the capability of the team. The internal auditor assigned to each activity is selected by the Head of Internal Audit & Counter Fraud and the Internal Audit Manager based on their skills, knowledge, experience, discipline, and any declared conflicts of interest. This ensures that all work is conducted independently, objectively, and in accordance with ethical standards.

Where an internal audit activity requires specialist skills or experience beyond those available in-house, arrangements will be made to secure the services of an external contractor, ensuring that independence and ethical standards are maintained.

## 5. 2026-27 Internal Audit Plan (Q1-Q2)

The Internal Audit Plan is intended to provide a clear picture of how the council will use the internal audit function's resource and services, as defined in the Internal Audit Charter; including assurance work focusing on the council's corporate objectives and risks, with links to these noted in the plan, and advisory services

The plan reflects all work to be carried out by the Internal Audit team for Medway during the first six months of the financial year.

In planning the number of assurance engagements that can be undertaken with the available resources, each engagement has been assigned an indicative day allocation of 15 or 17 days (17 days applies to any areas not reviewed previously), but the final day allocation for each individual engagement will be agreed when setting the scope during the engagement planning phase, to ensure there is adequate time available to complete the necessary work. The total number of indicative days allocated to each area of work for the period of the Plan are included in the summary on page 6.

## Corporate Objective / Risk Assurance Work

Ref	Division	Audit Title	Activity Under Review	Links to One Medway Council Plan	Links to Corporate Risk Register
1	Adult Social Care & Children's Social Care	Care Transitions	Review of arrangements to manage the transition of support from Children & Young People with Disabilities to Adult Social Care.	Priority One - Delivering quality social care and community services	SR09A, SR09B
2	Culture & Community	HMO Licensing & Enforcement	Review of arrangements to deliver the council's statutory responsibilities in relation to regulating, licensing, inspecting, and enforcing standards in Houses in Multiple Occupation (HMO).	Priority Five - Living in good-quality, affordable homes	SR09A, SR35
3	Children's Social Care	Child Safeguarding	Review of the arrangements to manage child safeguarding concerns.	Priority One - Delivering quality social care and community services	SR09B
4	Finance & Business Improvement	Council Tax Recovery	Review of arrangements to recover unpaid council tax.	Principle: Financial sustainability and value for money.	SR03B
5	Finance & Business Improvement	Business Rates Recovery	Review of arrangements to recover unpaid business rates.	Principle: Financial sustainability and value for money.	SR03B
6	Finance & Business Improvement	IT Disaster Recovery	Review of arrangements to back up and restore the council's IT network in the event of disruption.	All Priorities	SR37
7	Finance & Business Improvement	Cyber Security	Review of arrangements to ensure appropriate cyber security measures are in place and effective.	All Priorities	SR37
8	Children's Social Care	Children in Care - Assessments & Care Planning	Review of arrangements to assess the needs of children in care and prepare and review care plans.	Priority One - Delivering quality social care and community services	SR09B
9	Culture & Community	One Medway Lettings	Review of arrangements to manage the One Medway Lettings Service.	Priority Five - Living in good-quality, affordable homes	SR35

10	Adult Social Care	Quality Assurance Framework	Review of arrangements to conduct internal quality assurance reviews in Adult Social Care.	Priority One - Delivering quality social care and community services	SR09A
11	Finance & Business Improvement	Business Continuity Planning	Review of arrangements to ensure appropriate business continuity plans are in place and effective.	All Priorities	SR37, SR58
12	Adult Social Care	Adult Social Care - Assessments & Reviews of Care Packages	Review of arrangements to conduct and review adult social care assessments.	Priority One - Delivering quality social care and community services	SR09A
13	Finance & Business Improvement	Staff Sickness Absence Reporting & Monitoring	Review of arrangements for staff sickness to be reported, recorded, monitored, and managed.	All Priorities	SR03B, SR32, SR54
14	Front Line Services	Environmental Protection - Air Quality	Review of arrangements to deliver the council's statutory duties in relation to monitoring, reviewing, and assessing air quality in Medway.	Priority Three - Enjoying clean, green, safe, and connected communities	SR47
15	Culture & Community	Temporary Accommodation Acquisition Programme	Review of arrangements to manage the council's Temporary Accommodation Acquisition Programme.	Priority Five - Living in good-quality, affordable homes	SR35

## Other Assurance Work

Ref	Division	Title	Activity
	Council Wide	Finalisation of 2025-26 Planned Work	Allowance to finalise work from the 2025-26 plan not completed as of 31 March 2026.
	Council Wide	Grant Validations	Allowance to conduct independent checks of grant expenditure as per award conditions.
	Council Wide	FIT Plan Validation	Allowance to conduct independent validation of evidence for completion of FIT Plan objectives
	Council Wide	Responsive Assurance Work	Allowance to conduct responsive assurance work unknown at the time of planning.

## Follow Up Work

Ref	Division	Title	Activity
	Council Wide	Follow-up of Agreed Actions	Allowance to monitor and report on the implementation of agreed Actions.

## Advisory Work

Ref	Division	Title	Activity
	Council Wide	Attendance at Corporate Working Groups	Allowance for attendance at Corporate Working Groups
	Finance & Business Improvement	Crisis Resilience Fund	Allowance to provide advisory assistance in relation to controls to be established for management of the new Crisis Resilience Fund.
	Council Wide	Responsive Advisory Work	Allowance to conduct responsive advisory work unknown at the time of planning, as directed by senior management and including the provision of advice & information.

## Summary

Ref	Area of Work	Resource Days	Timescale
	Corporate Objective / Risk Assurance Work	237.0	Q1-Q2
	Other Assurance Work	62.0	Q1-Q2
	Follow up Work	7.5	Q1-Q2
	Advisory Work	20.0	Q1-Q2

## 6. Monitoring & Review

To meet the requirements of the Standards, arrangements are in place to capture performance data across all aspects of the internal audit function.

Arrangements to monitor progress against delivery of the agreed Internal Audit Plan are built into the working processes of the team and progress will be reported to senior management and the Audit Committee as part of the team's progress update and annual reports, which will include outturns against the following performance indicators.

Ref	Indicator	Target
IA1	Proportion of available resources spent on chargeable work	70%
IA2	Proportion of chargeable time spent on:	
	a) Assurance work	95%
	b) Consultancy work	5%
IA3	Proportion of agreed assurance reviews:	
	a) Delivered	95%
	b) Underway	
IA4	Number of agreed actions that are:	
	a) Not yet due	N/A
	b) Implemented	
c) Outstanding		
IA5	Proportion of agreed actions implemented	90%

The level of available resources will also be monitored, with any resource limitations impacting on delivery of the Internal Audit Plan or internal audit coverage, reported to senior management and the Audit Committee. Resource limitations may require amendment to the agreed Plan but in the event that removal of a planned assurance engagement from the plan is proposed, it will be accompanied by a rationale for doing so, particularly where it relates to an assurance engagement in a high-risk area.

Any proposed changes to the agreed Internal Audit Plans, which may also include changes to the type of activity, e.g., an assurance engagement changing to an advisory engagement, will be communicated as soon as possible as part of the progress update reports to senior management and the Audit Committee.

Regardless of any other proposed changes, in July 2026, a review of available resources will be undertaken to determine the level of internal audit resource available for the remainder of the financial year and the risk assessment used to inform the 2026-27 Plan for Q1-Q2 will be reviewed and updated as necessary to determine whether there have been any changes in the council's risk landscape.

A refreshed Plan showing the intended activity for the second half of the financial year will then accompany the first progress update report to senior management and the Audit Committee (September 2026). This approach allows the team to be more dynamic and responsive to changes in the council's business, risks operations, programs, systems, controls, and organisational culture, and ensure internal audit activity continues to be directed to the right areas.