

# **Internal Audit Plan**

**(2026/2027)**

Planned Internal Audit Review Area	Audit Risks context	Planned Internal Audit Coverage	Q1	Q2	Q3	Q4
Residents Parking Enforcement - follow up	PCN enforcement work is not being targeted to areas and times where PCNs are issued meaning that the council loses out on PCN income.	The follow-up review will assess whether recommendations from the previous Parking Enforcement audit have been implemented, confirming improvements in governance, contract management, KPI monitoring, software, data quality, reconciliations, chargebacks, and the authorisation of write-offs, cancellations and refunds. It will also check whether complaint handling and reporting have improved and whether stronger controls now ensure greater consistency and assurance across the PCN process.				X
Fleet Management	Statutory vehicle compliance, licensing, and safety checks may be missed, creating legal and operational risks. Limited driver training and behaviour monitoring increase accident and liability exposure. Weak maintenance planning and supplier oversight can drive up costs, downtime, and poor servicing.	The audit will review whether governance, controls, and monitoring ensure safe, compliant, and cost-effective fleet operations. It will assess procurement, maintenance, inspections, and disposal processes; compliance with statutory requirements; driver management (training, monitoring, handbooks); and controls over fuel, insurance, telematics, and supplier management. It will also review data quality, asset tracking, and performance reporting.			X	
Licensing	Risk of legal challenge resulting in reduced income and restitution fees	The audit will assess whether licensing functions are effective, consistent, and compliant with statutory requirements. It will review the accuracy of policies, applicant checks, decisions, enforcement, and information held in systems like ARCUS, as well as governance, monitoring, and income management to ensure transparency and public protection.	X			
Council's Building Management Efficiencies - Corporate Landlord.	Failure to maintain buildings may cause injury, legal non-compliance, or asset unavailability.	The audit will assess whether the Corporate Landlord model effectively manages non-housing assets through strong daily operations, statutory compliance, maintenance and FM service delivery. It will review whether governance, performance monitoring, and resource allocation support value for money, consistency, and wider asset-management objectives.		X		
Traffic Regulation Orders - follow-up	The Council implement TROs which could be subject to legal challenge, which leads to reputational damage.	The follow-up will check whether improvements have been implemented in the end-to-end TRO process, focusing on progress on TRO digitisation and data quality.			X	

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Joint Legal Team (JLT) Billing process (Follow up review)	Weak financial controls may undermine budgeting and cause future cost adjustments.	The audit will assess whether the JLT has strengthened governance, clarified terms of reference, improved use of the Counsel Instruction Form, and enhanced billing accuracy through better time recording, rate setting, and variance checks. It will also review improvements to VAT compliance, PO controls, and reconciliations between IKEN and E5 to confirm risks around transparency, financial accuracy, and compliance have been addressed.				X
General Ledger	General Ledger Operations are a key function within the Council, and it is particularly important that all transactions are recorded accurately within agreed timescales in order that the Council can produce accurate financial information to assist with the decision-making process.	The audit will assess whether the General Ledger is accurate, complete, and well-controlled by reviewing journal controls, segregation of duties, documentation, and naming conventions. It will also examine suspense-account oversight, data flows from feeder systems, and whether e5 system controls and governance support timely, reliable financial information.			X	
Treasury Management	Non-compliance with statutory and CIPFA requirements, poor oversight of borrowing and investment decisions, weak monitoring of liquidity and cash flow, inadequate control over counterparty and interest-rate exposure.	The audit will review how borrowing, investments, and cash flow are managed to ensure activities are safe, well-controlled, and compliant with financial regulations and the Treasury Management Strategy. It will assess authorisation of decisions, monitoring of financial risks, accuracy of reporting, and the effectiveness of governance and reconciliation processes.				X
Electronic (Faster) Payment Requests	Electronic payments may bypass key controls, increasing the risk of unauthorised, duplicate, or incorrect payments, especially outside standard BACS or A.P routes. Complex landlord/agent arrangements in Homelessness Prevention also raise the risk of unclear ownership and misdirected funds.	The audit will assess whether Lloyds CBO payment requests are properly authorised, validated, and supported by evidence, and whether this method is appropriate compared with other payment routes. It will focus on Homelessness Prevention payments, verifying landlord/agent details, and reviewing the adequacy of guidance, system controls, segregation of duties, and monitoring arrangements.	X			

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Payroll	Payroll risks include inaccurate or unauthorised payments due to weak data entry, approvals, and exception reporting. Errors may go undetected where reconciliations are incomplete, or when leavers/movers are processed late, raising fraud and overpayment risks.	The audit will assess whether payroll operates accurately and securely, focusing on controls for data input, authorisation, exception reporting, and reconciliations between iTrent and E5. It will review safeguards against duplicate or unauthorised changes, and test whether access controls, segregation of duties, validation checks, and leaver/mover processing operate reliably.		X		
Payment card Industry Data Security Standard (PCIDSS)	Banks removing the ability to use card payments should the council not be compliant to PCI DSS standards	This review will seek to determine the level of compliance with the 12 operational and technical requirements of PCI-DSS across the Council, to ensure the security of payment card data.		X		
Residential & Nursing Care	Risks include poor value for money if fees and uplifts lack robust cost data, and financial control weaknesses, such as errors in Mosaic payments, incorrect POs, or incomplete reconciliations, causing overpayments or inaccurate reporting. Weak procurement and contract management may raise costs.	The audit will review whether placement costs are accurate, approved, and represent value for money, assessing how fees and price changes are agreed and evidenced. It will check the accuracy of purchase orders, Mosaic payments, and reconciliations, and evaluate whether budget monitoring, procurement, and contract management provide adequate financial oversight of providers.				X
Direct Payments & Managed Payroll providers	Weak governance and contract management, reliance on a provider without a formal contract, poor oversight of £1.4m in client balances, and inadequate monitoring of Direct Payments increase risks of mismanagement, financial loss, and lack of transparency over interest earned.	The audit will assess whether oversight of managed payroll providers is effective and safeguards public funds, reviewing commissioning, procurement, contract management, controls over client balances, monitoring of Direct Payments, and the transparency and treatment of interest earned.			X	

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Financial Assessments & Benefits Team - follow up	Risks include incorrect client contributions, inconsistent assessments, and delays in billing.	The follow-up will check whether FAB has implemented prior audit actions, including reducing backlogs, improving referral quality, strengthening caseload oversight, and enhancing documentation, verification checks, and workflow management. It will assess whether these improvements have increased accuracy, timeliness, and governance, and reduced financial and operational risks.	X			
Mosaic Provider Portal	Progress has not been made, efficiency savings will not be realised, historic invoice queries remain impeding the effectiveness of the portal.	The review will assess whether the Provider Portal is operating effectively, confirming workflow compliance, payment stability, monitoring arrangements, provider access, and regular Mosaic reconciliations to ensure the system delivers intended efficiencies.				X
Disabled Facilities Grant - follow up	Grants may not reach the neediest households, and eligible works may exceed limits.	The follow-up will check implementation of prior recommendations and assess whether new controls ensure efficient administration, proper eligibility decisions, and compliance with scheme policies.		X		
Housing Repairs materials - Order and control of Materials	Weak controls may cause budget pressures, theft, or payments for materials unrelated to jobs.	The audit will review controls over material ordering, collection, and payments, ensuring materials are recorded accurately, linked to specific jobs, and reconciled to work performed.			X	
Lone Working	There is a risk of serious harm if lone-working risks are not managed, with many staff not using required safety devices.	The audit will follow up previous concerns and take an organisation-wide view of governance and controls for Peoplesafe devices, assessing procurement, allocation, usage, monitoring, training, escalation processes, and data quality to confirm compliance with the Lone Working Code of Practice and whether key risks are effectively mitigated.			X	
Continuing Healthcare, processing payments (Children's)	Errors in assessments can lead to incorrect funding decisions, delays, and disputes with the ICB.	The audit will review the effectiveness of CHC assessment, recording, approval, and recovery processes, checking workflow accuracy, completeness of evidence, timeliness of recharges, and whether controls ensure correct identification, invoicing, and closure of CHC-funded cases while reducing financial and partnership risks.				X

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Foster care (Allowances)	Allowance levels or payments may be inappropriate, inconsistent, or delayed.	The audit will assess whether foster and kinship allowances follow clear policies, sound eligibility checks, accurate and well-controlled payment processes, and effective monitoring to ensure value for money and compliance with legal requirements.		X		
Occupational Therapy waiting lists and managing opportunities	Delays in assessing needs, inequitable prioritisation due to lack of transparent triage, insufficient use of early help interventions, poor data sharing agreements.	The audit will assess how effectively Children's Services manages Occupational Therapy (OT) waiting lists, including the use of assessment, triage, and prioritisation to support timely and needs-led access. It will review the accuracy of waiting-list data, application of the Waiting Well policy, identification of high-risk cases, and the adequacy of capacity, oversight, and performance information used to manage delays and support improvement.	X			
Pupil Premium Funding	There is a risk that Pupil Premium funding is not effectively governed, monitored or targeted, leading to non-compliance with grant conditions, ineffective use of ring-fenced funding, weak accountability and poorer outcomes for disadvantaged pupils.	The audit will review the arrangements for the allocation, use and oversight of Pupil Premium funding, focusing on governance and accountability, compliance with grant conditions, the robustness of planning and decision-making, monitoring of spend and outcomes, transparency and reporting (including statutory publications), and whether funding is being used effectively and in line with intended objectives to improve outcomes for eligible pupils.	X			
Schools	Caversham Park Primary School, E P Collier Primary School, English Martyr's Catholic Primary School, Katesgrove Primary School, Redlands Primary School, The Ridgeway Primary School				X	X

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The following audits held in reserve, listed below, will be activated if any planned audits are delayed or cannot proceed due to conflicting priorities, staff absence, or other operational constraints. Some lower -priority areas may also be incorporated into the plan and assigned to the audit apprentice for completion.

- Planning (DEGNS)
- Food Hygiene Inspections (DEGNS)
- Recruitment (Pre-employment checks)
- Software Asset Management
- Synergy Project – follow up

In addition to the above, Internal Audit will work collaboratively with the Portfolio Management Office (PMO) on priority gold projects, including Child/SEND Placements and Home to School Transport. Our involvement will focus on providing early assurance and advisory support during the design and implementation phases of these initiatives. Specifically, Internal Audit will assist with the development and refinement of redesigned business processes, ensuring that appropriate controls, governance arrangements, and accountability mechanisms are embedded from the outset. This will include consideration of risk identification and mitigation, segregation of duties, data quality, decision-making frameworks, and compliance with relevant policies and regulatory requirements. By engaging at this stage, Internal Audit aims to support the delivery of robust, sustainable processes that reduce the risk of control weaknesses emerging post-implementation, while enabling the projects to achieve their intended outcomes efficiently and effectively.