

DRAFT INTERNAL AUDIT PLAN

January 2026



HILLINGDON
LONDON

www.hillingdon.gov.uk

Contents

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1. INTRODUCTION

1.1 The Role of Internal Audit

- 1.1.1 The Local Government Accounts and Audit Regulations 2015 require every local authority to undertake effective Internal Audit (IA) to evaluate the effectiveness of its risk management, control and governance processes, in line with the Global Internal Audit Standards and CIPFA Public Sector Application Note.
- 1.1.2 IA provides an objective opinion to the Council on whether the control environment, corporate governance arrangements and risk management framework are operating effectively, which is essential in helping the Council achieve its corporate objectives and realise its vision for the borough of Hillingdon.
- 1.1.3 The IA service at Hillingdon apply a risk-based approach to determine the priorities of the IA activity. This means that IA gives greater assurance to the Council because it is based on the key risks to the organisation's objectives. As a result, we will not just be commenting on whether the controls operate, but whether they are the right controls to achieve the overall aims of the service.

1.2 The Purpose of the Internal Audit Plan

- 1.2.1 The Global Internal Audit Standards require the Head of Internal Audit (HIA) to create an internal audit plan that supports the achievement of the Council's objectives. The plan should be discussed with the Audit Committee and Senior Management and approved by the Audit Committee.
- 1.2.2 The IA work undertaken throughout the year is a crucial component of the HIA's annual opinion statement. In order to deliver this assurance, it is vital for the organisation to have a comprehensive plan which prioritises the limited resources of the IA team to maximise the risk-based coverage, whilst also adapting to new emerging risks, organisational changes and other sources of assurance.

2. THE INTERNAL AUDIT PLANNING PROCESS

2.1 The Approach to IA Planning in 2026/27

- 2.1.1 In developing the risk-based annual IA Plan the HIA has considered the organisation's governance, risk management, and control processes. Key sources taken into consideration when developing this plan include:
 - **Council Strategy** – The IA Plan was reviewed against the Council Strategy for 2022-2026, to ensure the plan is aligned to the Council's key priorities for the period.
 - **IA Strategy & Charter** – This IA Plan is aligned to the wider 2025-2028 Internal Audit Strategy and IA priorities. It is also aligned on the agreed IA purpose, scope and responsibilities as outlined in the IA Charter.
 - **Risk Registers** – The HIA considered the Council's risk management arrangements and reviewed the risk management system to establish the key risks facing the Council. Where reviews align to specific corporate risks this is noted in the detailed plan below.
 - **CMT Transformation Priorities** – This IA Plan has been developed taking into consideration any known transformation projects. To avoid duplicating work in

areas already under review, whilst also providing assurance over the effectiveness of the transformation programme where appropriate.

- **Meeting Minutes** – The HIA considered the minutes from the corporate governance group where the discussion was in relation to the governance, risk management, and control processes.
- **Performance Dashboards** – The HIA considered how the Council monitors their performance, and the reliability and integrity of both operational and financial information. Where performance information was available potential risk areas were considered for inclusion in the IA Plan.
- **Senior Management** – Senior managers from across the Council are continuously engaged in the ongoing IA plan, including members of Corporate Management Team (CMT), to identify any emerging risks or changes facing their services.
- **Audit Committee** – Any comments from members of the Audit Committee will be reflected in the IA plan after the draft is presented at the Audit Committee meeting on the 10 February 2026.
- **External Assurance Providers** – The Council's external auditors are invited to discuss any matters of concern and to identify any areas where they may consider IA work to inform their own risk assessment. The HIA has also taken into consideration the results of other external reviews including CQC and Ofsted inspections.
- **Wider IA Knowledge** – The IA Plan also reflects the cumulative knowledge of the IA team in relation to emerging risks facing the Council, including the wider strategic issues and regulatory changes emerging elsewhere, effecting local government.

2.2 Variations to the Plan

- 2.2.1 The IA team keep the programme under continuous review during the year to ensure the coverage has the flexibility to respond to the dynamic environment in which the Council operates. This approach helps make sure IA resources are directed in a more flexible and targeted manner to maximise the benefit to our stakeholders.
- 2.2.2 Where changes are required during the year, these will be agreed with the relevant Director and reported to the Audit Committee. Any areas that are delayed or cannot be completed due to capacity restraints will be recorded on the ongoing tracker to ensure they are not forgotten.

2.3 Internal Audit Resources

- 2.3.1 IA work for the year is determined by the number of days available based on the capacity in the IA Team. Reviews are prioritised to ensure the key risks facing the Council are given sufficient IA attention. The HIA is confident the current resources are sufficient to deliver the plan and meet the IA requirements under the Global Internal Audit Standards. Further information on the IA Team and capacity is included in Section 5 of this report.

3. THE 2026/27 INTERNAL AUDIT PLAN OVERVIEW

3.1 Key Elements of the IA Plan

3.1.1 The Internal Audit Plan for 2026/27 is outlined over the next few pages. This includes the following key elements:

- **Planned Assurance Reviews** - Risk-based reviews that provide assurance to the Audit Committee and senior management that key risks to the achievement of objectives are being effectively mitigated, and control arrangements are operating as expected.
- **Planned Advisory Reviews** - The planned risk-based reviews will include some advisory work where there are known areas of improvement and additional support is required, these will take into consideration other internal and external support to ensure we avoid any duplication.
- **Grant Claims** – This includes verifying grant expenditure and relevant returns before they are submitted. Work will be undertaken in 2026/27 to ensure all grants requiring grant certifications and sign offs by IA are identified and completed.
- **Ad-hoc Advisory** – As well as planned advisory reviews there is a further allocation of days for unprogrammed advisory to allow the team to respond to urgent requests for advice. Demand for support has been increasing as there are significant changes taking place across the council and the IA service becomes more well known at an operational level.
- **Follow up** – Throughout 2026/27 the IA team will continue to follow up on recommendations raised in prior year reports to ensure they are implemented and embedded effectively. IA are currently implementing a new automated follow up process which will reduce the reliance on manual emails and improve the data available for ongoing monitoring. As part of this process further digital dashboards will be developed to increase awareness of outstanding recommendations and improve accountability within services and directorates.

4. THE DETAILED 2026/27 INTERNAL AUDIT PLAN

QUARTER ONE

REF.	AUDIT TITLE	SRR	DESCRIPTION
Cross Directorate Reviews (X)			
X1	Grant Register	0006	This will be an advisory review to identify the sources of grant income across the Council and confirm what monitoring arrangements are in place to ensure grant income is being maximised and spent in line with any grant conditions.
X2	Project Management	0007	This review will consider the project management arrangements in place to monitor significant projects planned for 2026/27. This will include ensuring there is appropriate collaboration and oversight.
X3	Business Continuity		This compliance-based review will test whether services have business continuity plans in place and the overarching monitoring arrangements to support for the new Business Continuity lead.
Directorate: Residents Services (R)			
R1	Fleet		This review will test compliance with safety requirements, follow up on the fleet damage report completed in 2023/24, and consider how technology can be used to support the service.
R2	Play Equipment Health & Safety		This compliance-based review will test how Play Equipment is monitored and whether appropriate inspections and maintenance have been completed to meet Health and Safety requirements.
R3	Disposals		This review will consider the processes in place for identifying assets for disposal, and whether there is appropriate scrutiny and approval before the disposal is actioned.
R4	Environment Forward Planning		Following management changes in this directorate this advisory review will focus on supporting these teams to establish clear objectives, plans and risk registers for 2026/27. These will be further reviewed in Q4 to ensure they are embedded effectively.
Directorate: Finance (F)			
F1	Aged Debt & Write Offs	0006	Following the debt work completed in 2025/26 this review will assess how aged debts are monitored, provided for and written off when they are no longer recoverable.

QUARTER TWO

REF.	AUDIT TITLE	SRR	DESCRIPTION
Cross Directorate Reviews (X)			
X4	Business and Financial Plans Follow Up		This review will follow up on the recommendations made in the 2025/26 Business and Financial Plans audit and test whether appropriate plans are in place for 2026/27.
X5	Directorate Governance	0006	Following the governance improvement actions undertaken in 2025/26 this review will test whether the new directorate level governance arrangements have been embedded effectively.
X6	Directorate Spend Controls	0006	Three spend control compliance audits have been included in the plan to consider whether the spend controls are working effectively within the directorates, social care and housing.
Directorate: Adult Social Care & Health (A)			
A1	Spend Control - Social Care	0006	As above, three spend control compliance audits have been included in the plan to consider whether the spend controls are working effectively within the directorates, social care and housing.
Directorate: Children's Services (C)			
C1	Fostering	0009	This review was added to the plan as there have been significant changes in the fostering service since the last audit was undertaken.

Directorate: Residents Services (R)			
R5	Spend Controls – Housing	0005	As above, three spend control compliance audits have been included in the plan to consider whether the spend controls are working effectively within the directorates, social care and housing.
R6	Temporary Accommodation Data	0005	This review will provide assurance on the accuracy of performance data in relation to Temporary Accommodation and how the service monitors the accommodation provided.
R7	Civic Amenity Site		This compliance-based review will test how the Civic Amenity Site ensures they are delivering their service objectives and meeting any necessary standards or regulations.
Directorate: Corporate Services (S)			
S1	HR Compliance		This review will consider whether there is appropriate oversight of HR compliance to ensure officers are held accountable for non-compliance. This includes mandatory training, appraisals and any annual declarations.
Directorate: Finance (F)			
F2	Fees and Charges	0006	This review will assess the processes in place for setting the Council's fees and charges, including benchmarking charges against other Local Authorities and considering the potential impact on demand for the services.

QUARTER THREE

REF.	AUDIT TITLE	SRR	DESCRIPTION
Cross Directorate Reviews (X)			
X7	Budget Monitoring	0006	Following the actions taken to improve budget monitoring in 2025/26 these days have been included in the plan to ensure they are embedded effectively at a service level.
X8	Use of Performance Information	0007	This review will assess how the Council is using their performance data effectively, including whether performance reports cover statutory requirements and action plans are in place to address poor performance.
X9	Savings monitoring	0006	Following the Saving Programme review in 2025/26 this review will deep dive into individual savings proposals to confirm action plans are in place to deliver the saving and alternative savings proposals identified where necessary.
X10	Resident Engagement		This review will consider the different communication options available for residents to contact the Council, and whether they are aligned with each other to ensure residents can reach the appropriate service efficiently.
X11	Company Governance		This review will assess the governance arrangements for companies established by the Council, and how the Council maintains oversight to ensure the expected outcomes are achieved.
Directorate: Adult Social Care & Health (A)			
A2	Adult Social Care Charges	0006	To test compliance with the Council's policies and procedures in relation to social care charges, including financial assessments and how income is collected.
Directorate: Residents Services (R)			
R8	Landlord Service Data	0007	This review will provide assurance on the accuracy of performance data in relation to the Landlord Service, including whether mandatory indicators have been calculated correctly.
R9	Domestic Abuse	0005	This review will assess the processes in place to support victims of domestic abuse, including how services collaborate to provide an effective response.
R10	Rental Income	0006	To provide assurance whether the Council is maximising their rental income from leased properties. Including how rent is calculated and how the income is collected.
Directorate: Corporate Services (S)			
S2	HR Info	0007	Following the action undertaken by the Human Resources service in 2025/26 to improve data quality in relation to staffing structures, this review will test the new arrangements in place to ensure the data continues to be accurate.

QUARTER FOUR			
REF.	AUDIT TITLE	SRR	DESCRIPTION
Cross Directorate Reviews (X)			
X12	Resident Consultation		This review will assess how residents are consulted in key decisions, and whether the consultation was appropriate and responses managed appropriately.
Directorate: Adult Social Care & Health (A)			
A3	ASC Contract Management	0010	This review will provide assurance there is a clear contract register in place for Adult Social Care contracts and appropriate contract management arrangements to ensure they are providing value for money.
A4	ASC Culture Review	0010	This advisory review will involve engaging with officers across the directorate to confirm whether they understand the directorate structure, their individual role and whether they feel teams are collaborating effectively.
A5	Mortuary Training Academy		This will be a compliance-based review to test whether the Mortuary is meeting any necessary standards and requirements.
Directorate: Children's Services (C)			
C2	Schools Thematic Review	0009	These days will be used to review a sample of schools and test their arrangements in place in relation to a key area of governance. The topic will be agreed with the Director for Education in Q3.
Directorate: Residents Services (R)			
R12	Theatres		This service review will assess how the Theatre service ensures they achieve value for money, including whether there are any further opportunities to maximise income.
R11	Asset Management	0007	This review will consider the Council's Asset Management arrangements, including testing the accuracy of the asset register and the processes in place to ensure it remains up to date.
R13	Awaabs Law	0005	This review will follow up on any recommendations made in the Awaabs Law review in 2025/26 and test compliance with the new requirements in 2026.
R14	Environment Forward Planning (Part 2)		Following the advisory review in Q1 this review will assess whether the agreed forward plans have been followed and ongoing monitoring arrangements embedded effectively.
Directorate: Corporate Services (S)			
S3	Procurement Act Compliance		This review will test compliance with the Procurement Act across the Council and whether there are appropriate monitoring arrangements in place to address any non-compliance.

ONGOING AUDIT WORK			
REF.	AUDIT TITLE	SRR	DESCRIPTION
Other Internal Audit Work			
-	Grant Claims	-	Several grant certifications and sign offs are required by IA during the year on behalf of the Council.
-	Ad Hoc Advisory	-	These days will be used for urgent requests for advice and support to improve systems and processes, mitigate risk and enable the achievement of objectives.
-	Recommendation Follow up	-	All High and Medium recommendations raised by Internal Audit will be followed up as they become due to ensure they have been implemented effectively.

ALIGNING TO THE STRATEGIC OBJECTIVES

As part of the Internal Audit planning process the proposed reviews have been aligned to the Councils Strategic Objectives for 2022-2026. This summary is intended to provide assurance the plan will support the Council to achieve these core objectives.

(1) Safe and Strong Communities	Play Equipment Health & Safety, Resident Engagement, Resident Consultation
(2) A Thriving Economy	Resident Engagement, Rental Income,
(3) A Digital-enabled, modern well-run council	Grant Register, Project Management, Business Continuity, Aged Debt & Write Offs, Directorate Governance, Spend Controls, HR Info, Procurement Act Compliance
(4) Thriving, healthy households	Fostering, Temporary Accommodation Data, Domestic Abuse, ASC Contract Management
(5) A green and sustainable borough	Environment Forward Planning, Civic Amenity Site

5. INTERNAL AUDIT SKILLS AND RESOURCES

- 5.1 In line with the Global Internal Audit Standards, the Head of Internal Audit appointed is professionally qualified and suitably experienced, whilst the IA team collectively possess the knowledge, skills and other competencies required to perform their responsibilities.
- 5.2 We are confident there will be sufficient IA capacity available to meet the skills and resource requirements needed to deliver the 2026/27 risk-based IA Plan. Based on the current workforce the calculated total available IA time for 2026/27 is 949 IA days.
- 5.3 This is an increase from 2025/26 as one team member is due to return from maternity leave at the beginning of the year. During 2025/26 one Internal Auditor and one Assistant Manager also left the Council. The Internal Auditor post was replaced with an Apprentice Auditor in May 2025, however the Assistant Manager post remains vacant at the beginning of 2026/27.
- 5.4 The impact of the maternity leave and vacancies on the capacity for IA work in 2025/26 was minimised by reducing the non-audit work completed by the team. However, the capacity plan will be reviewed during 2026/27 if the Assistant Manager post is filled or if there are any further staffing changes.
- 5.5 We continue to invest in the training and development of all our staff, including identifying opportunities for further development in associated areas of assurance. In particular, we will also seek opportunities to develop our digital skills and experience to allow us to automate our own processes and provide greater assurance in relation to Council wide systems and technology.

AVAILABLE CHARGEABLE TIME

Type of IA Work	2026/27 Planned	2025/26 Forecast	2024/25 Actual	2023/24 Actual
Assurance & Advisory Audits	785	694	773	703
Grant Claims	70	64	57	65
Ad-Hoc Advisory	50	45	33	15
Recommendation Follow-Up	12	40	40	40
Facilitation	32	12	12	20
	949 Days	855 Days	915 Days	843 Days

APPENDIX A - INTERNAL AUDIT DEFINITIONS

ASSURANCE LEVEL	DEFINITION
SUBSTANTIAL	There is a good level of assurance over the management of the key risks to the Council objectives. The control environment is robust with no major weaknesses in design or operation. There is positive assurance that objectives will be achieved.
REASONABLE	There is a reasonable level of assurance over the management of the key risks to the Council objectives. The control environment is in need of some improvement in either design or operation. There is a misalignment of the level of residual risk to the objectives and the designated risk appetite. There remains some risk that objectives will not be achieved.
LIMITED	There is a limited level of assurance over the management of the key risks to the Council objectives. The control environment has significant weaknesses in either design and/or operation. The level of residual risk to the objectives is not aligned to the relevant risk appetite. There is a significant risk that objectives will not be achieved.
NO	There is no assurance to be derived from the management of key risks to the Council objectives. There is an absence of several key elements of the control environment in design and/or operation. There are extensive improvements to be made. There is a substantial variance between the risk appetite and the residual risk to objectives. There is a high risk that objectives will not be achieved.

FINDING RATING	DEFINITION
HIGH	The recommendation relates to a significant threat that impacts the Council's corporate objectives. i.e. a high number of key business risks remain unidentified and/or unmanaged as control systems do not exist and/or do not operate effectively. The risk requires senior management attention as soon as possible as it may result in the breakdown of part/whole of the service.
MEDIUM	The recommendation relates to a potentially significant threat that impacts on either corporate or operational objectives. This includes weaknesses in the control systems that are not considered serious but may have some impact on the service. The risk requires management attention and should be addressed within six months to ensure full compliance with expected controls.
LOW	The recommendation relates to a minor threat that impacts on operational objectives, this includes non-compliance with best practice or local procedures, and minimal impacts on the Service's reputation or budget. The risk may be tolerable in the medium term but management should take action within the next year to improve the control framework to ensure full compliance with expected controls.
OBSERVATION	This includes any items Internal Audit would like to highlight that may not directly relate to a finding. This includes notable performance and innovative controls that should be shared with others , potential concerns raised during the audit that are outside the scope of the review and will be considered separately, and any areas of improvement that had already been addressed by management at the time of the review.

APPENDIX B - INTERNAL AUDIT KEY PERFORMANCE INDICATORS

The Key Performance Indicators (KPIs) for IA quarterly reporting to CMT and the Audit Committee in 2026/27 are set out below:

KPI	Category	Performance Measure	2026/27 Target
KPI 1	Timeliness: IA	Planning to be initiated at least six weeks before the planned fieldwork start date to allow the relevant service to prepare documents and ensure staff availability.	80%
KPI 2	Timeliness: IA & Management	The final terms of reference for the review to be agreed before the planned fieldwork start date.	80%
KPI 3	Timeliness: IA & Management	Fieldwork to be completed within two months of the opening meeting, unless agreed with the relevant Review Sponsor.	80%
KPI 4	Timeliness: IA	Draft Reports to be issued three weeks after the end of fieldwork meeting with the key contact	80%
KPI 5	Timeliness: IA	Annual IA Plan delivered to draft report stage by 31st March, unless agreed with Review Sponsor	90%
KPI 6	Timeliness: IA	Annual IA Plan delivered to final report stage by 31st March, unless agreed with Review Sponsor	80%
KPI 7	Timeliness: Management	Draft management responses to be received two weeks after the draft report is issued	80%
KPI 8	Timeliness: Management	Review Sponsor to approve the management responses two weeks after the updated report is issued.	80%
KPI 9	Quality	HIGH and MEDIUM risk IA recommendations completed within the agreed timescale	80%
KPI 10	Quality	IA folders with fully completed compliance checklists identified through quarterly spot checks	90%

Key for future reporting on actual KPI performance:

RED = currently this performance target is not being met (significantly [>5%] short of target performance).

AMBER = currently not meeting this performance target (just short [<5%] of target performance).

GREEN = currently meeting or exceeding this performance target