

East Devon District Council

2026/27 Internal Audit Plan and Internal Audit Charter

The Internal Audit Plan: Summary

The Internal Audit Plan is a summary of the proposed audit coverage that SWAP will deliver in the 2026/27 and 2027/28 financial years.

Delivering the Internal Audit Plan will enable SWAP to provide a comprehensive annual internal audit opinion.

Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective assessment of the council's risk management, governance, and control environment by evaluating its effectiveness.

Before the start of each financial year, SWAP works with senior management and members to create a proposed Internal Audit Plan.

The purpose of the Plan is to enable SWAP to provide an informed annual internal audit opinion, based on adequate coverage of key business objectives, risks, and risk management procedures.

Outcomes from our audits provide senior management and members with an independent judgment of the extent to which the council is adequately managing its current risks.

Internal audits are just one source of assurance. Internal audit outcomes should be considered alongside other sources as part of the 'three lines of defence' model. The key findings from our audits should also be considered alongside the Annual Governance Statement (AGS).

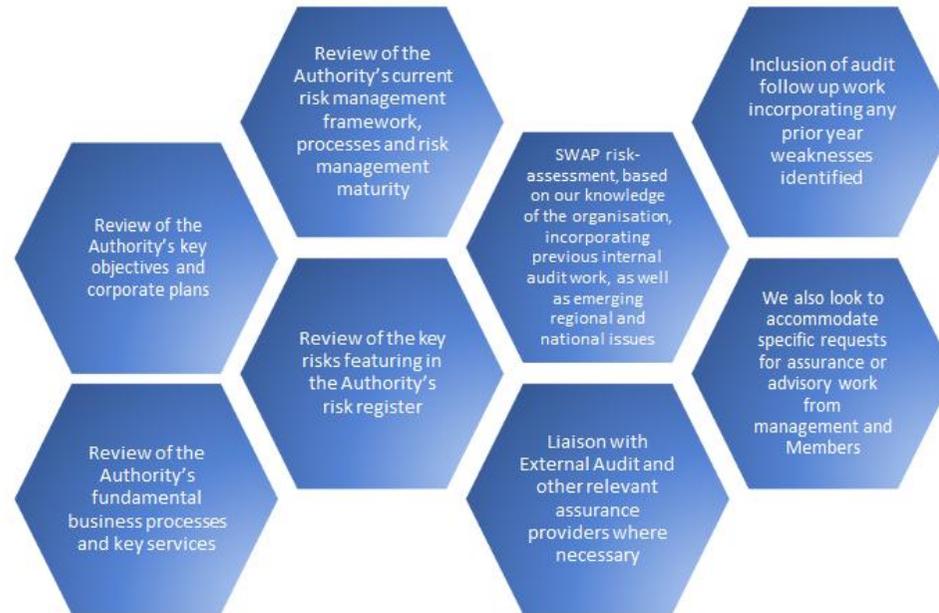
The council's senior management and the Audit and Governance Committee are responsible for confirming that the proposed Internal Audit Plan is adequate to provide independent assurance against the council's key risks.

The Internal Audit Plan: Approach

To develop the Plan, SWAP consulted senior management and members. Additionally, SWAP reviewed key documentation to gain a comprehensive understanding of the council's strategies, key objectives, risks, and risk management processes.

Approach to Internal Audit Planning for 2026/27 and 2027/28

The factors considered in putting together the 2026/27 internal audit plan have been set out below:



In recent years, we have used an agile approach, planning work six months at a time. However, Local Government Reorganisation (LGR) is expected to abolish all English district councils and create new unitary councils from April 2028. Five proposals have been submitted for Devon, and the Government's final decision on the forward local government structure is expected in summer 2026.

Given the anticipated LGR, we believe it is necessary to plan internal audit coverage for the remainder of the council's life. This will ensure we address all key assurance needs for the current council while also considering the successor authority. We have therefore produced a full plan for 2026/27 and an indicative plan for 2027/28, which will be reviewed and updated for formal approval by the Audit and Governance Committee in March 2027.

The Internal Audit Plan: Risk Assessment

Conducting a documented risk assessment prior to developing an internal audit plan ensures that all relevant areas are sufficiently and appropriately considered.

Internal Audit Annual Risk Assessment

The proposed Internal Audit Plan is based on a documented risk assessment, which SWAP will review regularly. The assessment covers EDDC's corporate and operational risks and priorities, as well as the broader SWAP top 10 risk themes. Below is a summary of the risk assessment considerations for East Devon District Council:

Risk Assessment Considerations	
<p>Strategic Risks:</p> <ul style="list-style-type: none"> Local Government Reorganisation Financial resource planning Emergency planning and business continuity Major contractor or partner failure Climate change Health and safety at work Council Plan delivery Housing Revenue Account Increasing homelessness 	<p>Local Issues:</p> <ul style="list-style-type: none"> Directorate strategies Housing repairs and maintenance Economic development Regeneration and development planning Waste and recycling services Financial sustainability Supplier resilience Resourcing Fraud prevention
<p>Core Areas of Recommended Coverage:</p> <ul style="list-style-type: none"> Financial Management Health and safety Planning, housing, environment and local economy Governance (including risk and performance management) Contracts, procurement and commissioning Workforce Technology, digital and security Strategic asset management 	<p>National Issues:</p> <ul style="list-style-type: none"> Climate change and sustainability Fraud Recruitment, retention and workforce planning Procurement, contracts and commissioning Health, safety and wellbeing Strategic asset management Planned and unplanned change Cost of living crisis

The Internal Audit Plan: Risk Assessment

Following our SWAP Risk Assessment above, we have set out how the proposed 2026/27 Plan presented in Appendix B provides coverage of the council's key corporate objectives and risks, as well as our core areas of recommended audit coverage.

Internal audit is only one source of assurance and should be considered in this context.

Internal Audit Coverage in 2026/27 and 2027/28

Our aim is to produce a comprehensive, risk-assessed work plan, which covers the council's strategic risks. We have prepared a proposed plan for 2026/27, and an indicative plan for 2027/28.

During preparation of the proposed Internal Audit Plan, we:

- reviewed previous suggestions included in the rolling plan
- met with the Chair and Deputy Chair of the Audit and Governance Committee
- met with Directors and Assistant Directors from all directorates
- met with the Chief Executive Officer; and
- presented the final proposal to Executive Leadership Team for endorsement

These meetings have been key to agreeing a programme of work that reflects corporate goals and associated risks.

The council's strategic risk register, including the council's assessment of residual risk, is set out in **Appendix A**.

The proposed Internal Audit Plan for 2026/27 is included as **Appendix B**.

As part of the planning process we have identified some of the audits that we believe should take place in 2027/28. **Appendix C** maps the proposed audits for both 2026/27 and 2027/28 to the council's strategic risk register. It also shows our past and planned audit coverage for each strategic risk over a five-year period (2023/24 to 2027/28). This shows that we expect to cover all current strategic risks over that timeframe.

The proposed Internal Audit Charter and Mandate, which sets out our role, is included as **Appendix D**. The proposed Charter is identical to the 2025/26 Charter.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always sit with management. As such, we cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

The Internal Audit Plan: SWAP

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP partnership now includes public sector organisations throughout the UK. East Devon District Council is a part-owner of SWAP, and we provide the internal audit service for the council.

Over and above our Internal Audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best practice between our public-sector partners.
- Regular updates containing emerging issues, risks and fraud alerts identified across the SWAP partnership and beyond.

Your Internal Audit Service

Internal Audit Resources

The total budget allocated by the council for delivering the Internal Audit Plan in 2026/27 is £134,933. This is a 2.4% reduction against the 2025/26 budget (£138,253). During 2025/26 the council requested a reduction in service as part of wider savings measures. As a result, we have agreed a reduction equivalent to 9% of the anticipated fees for 2026/27 and 2027/28. Part of the service reduction will come into effect in 2026/27, with the full reduction being realised in 2027/28. We have accounted for the planned reductions in the planning process.

We are satisfied that the current internal audit resources available represent a sufficient and appropriate mix of seniority and skill that can be effectively deployed to deliver the expected work. The key contacts in respect of your Internal Audit service are:

- Lisa Fryer, Assistant Director – lisa.fryer@swapaudit.co.uk
- Connor McLaughlin Nester, Principal Auditor – connor.mclaughlinnester@swapaudit.co.uk

We would encourage the council to seek alternative sources of assurance for risks that we have not been able to cover in the Internal Audit Plan.

Counter Fraud Arrangement

During 2025/26, the council and SWAP entered into a separate arrangement under which SWAP would provide the council with additional counter fraud support. SWAP's responsibilities under this arrangement include temporary line management of the council's counter fraud officer, supporting the council's Fraud Delivery Plan and contributing to the annual Counter Fraud report. While this has resulted in an additional spend with SWAP, council officers told us it has led to an overall saving because the council has not needed to appoint a new counter fraud manager. This arrangement is expected to continue in 2026/27, pending further discussion between the council and SWAP.

External Quality Assurance

At least every five years, SWAP is subject to an External Quality Assessment of Internal Audit Activity (EQA). Our last EQA took place in November 2024. This confirmed our conformance with the Public Sector Internal Audit Standards that were in effect at that time.

The Internal Audit Plan: Approach

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- People Centred
- Professional Integrity
- Supportive Collaboration
- Service Excellence
- Purpose-Driven Efficiency

In 2025 the new [Global Internal Audit Standards](#) (GIAS) came into effect. Alongside the GIAS, CIPFA published the [UK Public Sector Application Note](#), which sets out how public sector internal audit providers in the UK should interpret and apply the GIAS. We are conducting our work in line with these requirements.

Conflicts of Interest

We are not aware of any conflicts of interest with East Devon District Council that would impair our independence or objectivity. We will conform with the GIAS which includes ethics and professionalism standards in relation to integrity, objectivity, confidentiality, and competency.

Consultancy Engagements

As part of our internal audit service, we may accept consultancy engagements that have the potential to enhance risk management, add value, and improve the organisation's operations. Accepted consultancy work will contribute to our annual opinion and will be included in the Internal Audit Plan.

Approach to Fraud

Internal Audit may assess the adequacy of arrangements to prevent and detect irregularities, fraud, and corruption. We have dedicated counter-fraud resources available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud, and irregularities rests with management, who should implement adequate internal control systems, including segregation of duties, and proper authorisation procedures.

Our Reporting

We provide a quarterly summary of our activity to senior management and the Audit and Governance Committee.

This report will include any significant risk and control issues (including fraud risks), governance issues, and other matters requiring the attention of senior management and/or the Committee.

Additionally, we will report any management responses to risks we have highlighted that we believe may be unacceptable to the organisation.

Internal Audit Charter

Each year, we present our Internal Audit Charter to the Audit and Governance Committee for approval.

The GIAS requires the Internal Audit Charter to set out the internal audit function's:

The Internal Audit Plan: Approach

- Purpose
- Commitment to adhere to the GIAS
- Mandate, including the scope and types of services to be provided, and the organisation's responsibilities and expectations regarding management's support of the internal audit function; and
- Organisational position and reporting relationships

Our proposed Internal Audit Charter for 2026/27 is included in this report as **Appendix D**.

Internal Audit Performance:

As part of our annual internal audit opinion report to senior management and the Audit and Governance Committee, we will report on internal audit performance.

We measure our performance against the following targets:

Performance Measure	Performance Target
<u>Delivery of Annual Internal Audit Plan</u> Completed at year end	>90%
<u>Quality of Audit Work</u> Overall Client Satisfaction <i>(did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i>	>95%
<u>Outcomes from Audit Work</u> Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i>	>95%

Internal Audit Strategy

The [Global Internal Audit Standards](#) Standard 9.2 requires auditors to develop and implement an Internal Audit Strategy. The Strategy should set the medium-term direction for internal audit, support organisational objectives and align with Audit Committee and senior management expectations.

It should set out:

- The service’s vision
- Its strategic objectives and
- Initiatives for how the objectives will be achieved.

The Strategy is distinct from the Annual Plan, which covers a shorter period and specific engagements supporting the Annual Opinion.

How SWAP Addresses the Strategy Requirement

SWAP's **Five-Year Business Plan (2025-2030)** satisfies the Standards requirement for an Internal Audit Strategy. This plan outlines our strategic vision and details how we intend to develop and provide internal audit and assurance services throughout the five-year timeframe, including key objectives and the initiatives necessary to accomplish them. The Business Plan received unanimous approval from our Owner-Partners in December 2025.

Alignment to East Devon District Council’s Strategic Objectives

We designed our Business Plan around partner priorities and risks. In general, the Business Plan supports delivery of strategic objectives by aligning audit coverage, insight and capability to those priorities, for example:

SWAP Objective	How this supports EDDC’s strategic priorities
Anticipatory Service Offer	Keeps our assurance and advice offer responsive to the council’s changing priorities over time.
Standards-Conforming Work	Improves the consistency and quality of internal audit work, strengthening assurance over EDDC’s key delivery and governance arrangements.
Partnership Benefits	Making partnership benefits tangible through consistent engagement and transparent reporting, helping EDDC keep assurance aligned to priorities
Well-Governed Controls	Strengthening documented governance, risk and control arrangements to underpin service delivery across EDDC’s priority areas

Monitoring the Business Plan

We monitor Business Plan delivery through SWAP’s governance. Oversight by an Executive Leadership team led by SWAP’s Chief Executive, regular reporting and challenge by our Board and biannual Owners’ meetings including representatives from every Partner organisation to review progress and agree material updates.

Read SWAP’s Business Plan at this [link](#).

EDDC Strategic Risk Register

Appendix A

The table below sets out the council's strategic risk register as of February 2026.

Risk ID	Risk Title	Summarised Description	Inherent Risk Assessment	Residual Risk Assessment
Corp 1	Devolution and Local Government Review	Devolution and Local Government Review could lead to a redistribution of powers and resources, potentially resulting in the dissolution of the council. During this transition, the council might struggle to maintain essential services and infrastructure, impacting the community's well-being and local governance effectiveness.	High (12)	Medium (9)
Corp 2	Adequacy of financial resource planning to deliver the Council's priorities	Changes to government funding streams could significantly impact on the council's financial stability and operational capacity. This may result in reduced funding for essential services, delays in project implementation and increased pressure on local resources.	High (12)	Medium (9)
Corp 3	Adequate emergency planning and business continuity	A failure to adequately plan for emergencies and insufficient business continuity measures may result in significant service disruptions, impacting on our ability to respond effectively to emergencies.	High (12)	Medium (9)
Corp 4	Business failure of a major contractor or significant partner	Failure of a major contractor to deliver key services or a significant partnership fails resulting in service failure.	High (12)	Medium (8)
Corp 5	Climate Change targets not achieved	Failure to achieve climate change and carbon reduction commitments.	Medium (9)	Medium (9)
Corp 6	Cyber Security	Risks related to the security and integrity of digital systems and services that can impact data confidentiality, availability and overall operational resilience.	High (16)	Medium (6)
Corp 7	Ensure robust decision making	Ensuring the council has sound and legally compliant decision making in place.	Medium (9)	Low (2)
Corp 8	Failure to adequately protect staff health and safety at work	Failure to adequately protect staff could result in serious injuries and expose the council to reputational, legal and financial risks.	Medium (9)	Medium (9)
Corp 9	Failure to ensure that our corporate property portfolio is fully compliant with legal requirements	Failure to ensure the corporate property portfolio is compliant with all legal and health and safety requirements.	Medium (9)	Medium (8)

Risk ID	Risk Title	Summarised Description	Inherent Risk Assessment	Residual Risk Assessment
Corp 10	Failure to ensure the delivery of the Council Plan	Failure to ensure the council can sustain service provision and meet its priorities could lead to financial and reputational loss and impact on communities.	High (12)	Low (4)
Corp 11	HRA budget issues	There is risk of continued overspends against budget and affordability of the HRA going forward.	High (16)	Medium (6)
Corp 12	Impact of the economic situation on our residents	There is a risk that the council will be unable to meet the demands on our service from our residents for and for their ability to pay council tax and housing rents.	High (12)	Medium (6)
Corp 13	Increasing homelessness	Failure to meet statutory obligations including securing suitable and cost-effective temporary accommodation.	High (12)	Low (4)
Corp 14	Recruitment and retention issues	Growing recruitment challenges generally and for specialist roles could reduce productivity and the council's ability to meet statutory or other service responsibilities.	High (16)	Medium (9)
Corp 15	Risk of significant data breach or significant non-compliance with relevant legislation	Failure to meet the requirements of data protection legislation and good information governance practice or a significant data breach occurring resulting in a significant fine, loss of reputation and loss of access to government data.	Medium (9)	Medium (6)
Corp 16	Risks in partnership working	There is a risk that partnership working could lead to challenges such as misaligned objectives, communication breakdowns, and differing organisational cultures. These issues may impact the council's ability to deliver services and achieve strategic goals.	Low (4)	Low (4)
Corp 17	Maintaining positive relationships	Failing to build and maintain good relationships between staff and councillors can lead to a range of negative consequences that impact the functioning and reputation of the council.	Medium (6)	Low (4)
Corp 18	Poor data retention	Poor data retention practices can lead to significant risks, including legal, financial, and reputational consequences.	High (16)	Medium (6)

The [Risk Management Policy](#) includes the detailed criteria set by the council for assessing risk likelihood and impact. The inherent risk assessment is the council's assessment of their risk exposure before taking any mitigating action. The residual risk assessment is the council's assessment of their risk exposure after taking mitigating action.

Proposed Internal Audit Plan 2026/27

Appendix B

Please note that the audit titles and high-level scopes listed below are only indicative at this stage for resource planning. At the start of each audit, we will hold an initial discussion with management to agree on the specific terms of reference, including the objective and scope of the review.

Audit	Planned Quarter	Rationale	Link to Strategic Risk Register
Disrepair Claims	1	Tenants can bring claims against the council for disrepair. A legal process is followed to determine whether the council must compensate affected tenants. Officers reported concerns about the sufficiency of processes for defending disrepair claims. This review will evaluate current practice.	HRA budget issues
Property Records	1	This review will assess the accuracy and completeness of the council's property records. It will support the council's preparations for LGR because these records will facilitate asset transfers and disposals.	Failure to ensure the delivery of the Council Plan
Strata Governance Mapping	1	Following discussion at a previous Audit Committee, officers have requested that SWAP conducts an advisory review mapping out the governance structures and council responsibilities relating to Strata. This will include determining responsibilities for internal audit coverage for specific aspects of Strata and identifying areas requiring further internal audit work.	Cyber Security
Embedding Climate Change	2	Climate change remains a corporate priority and a strategic risk. This review will assess how climate change has been embedded into the council's decision-making processes.	Climate change targets not achieved.
Fraud Baseline Assessment	2	This review will provide an updated assessment of the council's fraud maturity in line with the Fighting Fraud and Corruption Locally Strategy 2020.	Adequacy of financial resource planning to deliver the Council's priorities
Business Continuity Follow Up	2	Limited assurance follow up.	Adequate emergency planning and business continuity
Corporate Health and Safety Follow Up	2	Limited assurance follow up.	Failure to adequately protect staff health and safety at work
Risk Management	3	Deferred from 2025/26. Key governance process not audited since 2021/22. The council has recently revised its risk management policy and strategic and operational risk registers, and responsibility has moved to a new Corporate Lead. The review will assess the council's updated process.	Ensure robust decision making

Audit	Planned Quarter	Rationale	Link to Strategic Risk Register
Housing Benefits	3	Key financial control review. To provide assurance that key financial system controls are operating effectively for Housing Benefits and that opportunities for error, fraud or corruption are minimised.	Impact of the economic situation on residents
Payroll	3	Key financial control review. To provide assurance that key controls within Payroll are operating effectively to ensure that payments are accurate, appropriately authorised and made in a timely manner.	Adequacy of financial resource planning to deliver the Council's priorities
Procurement	3	The new Procurement Act came into effect in February 2025. The Procurement Act also introduced a new regulatory body that can levy statutory recommendations against local authorities. This review will assess the council's compliance with the new Act.	Business failure of a major contractor or significant partner
Information Governance Follow Up	4	Limited assurance follow up.	Risk of significant data breach or significant non-compliance with relevant legislation
Performance Management Follow Up	4	Limited assurance follow up.	Failure to deliver the Council Plan
Home Safeguard	4	Home Safeguard is a traded telecare alarm service that supports older or vulnerable people to live independently at home. Officers have requested a review focusing on budget and fee setting, income collection, service procedures and officer compliance with the procedures.	Adequacy of financial resource planning to deliver the Council's priorities
Housing Landlord: Awaab's Law Compliance	4	Deferred from 2025/26. There is a risk to tenant safety if the council does not comply with inspection/remediation regimes for its housing stock. Awaab's Law, which sets out requirements relating to damp and mould, came into effect in October 2025. This review will assess the council's compliance with the new legislation.	HRA budget issues
Martyn's Law Preparedness	4	Martyn's Law comes into effect in April 2027. It introduces a legal duty on local authorities to prepare their public premises and events for terrorist threat scenarios. Some council-owned premises will be in scope of this legislation and there are penalties for non-compliance. This review will assess the council's preparedness for the new legislation.	Adequate emergency planning and business continuity
Supplier Resilience Follow Up	4	Limited assurance follow up.	Business failure of a major contractor or significant partner

Audit	Planned Quarter	Rationale	Link to Strategic Risk Register
LGR Provision	1-4	A provision for SWAP to undertake any required advisory services relating to LGR.	Devolution and Local Government Review

In addition to the programme of audits, we will also use our time provide support in the following areas during the first half of 2026/2.

Advice & Support	<ul style="list-style-type: none"> • Committee attendance & reporting • Head of Internal Audit role and internal audit planning • Action tracking and dashboard • Ad-hoc advice • Fraud bulletins and News Round-up
------------------	--

Mapping the Internal Audit Plan and Strategic Risk Register

Appendix C

The table below demonstrates how our completed and planned internal audit work links to the strategic risk register.

As part of the planning process, we have identified indicative audits for 2027/28. These audits are subject to change and formal approval by the Audit and Governance Committee in March 2027 but are named here for transparency.

Risk ID	Risk Title	Internal Audit Coverage				
		2023/24	2024/25	2025/26	2026/27	2027/28
Corp 1	Devolution and Local Government Review				<ul style="list-style-type: none"> LGR Provision 	<ul style="list-style-type: none"> LGR Provision
Corp 2	Adequacy of financial resource planning to deliver the Council's priorities	<ul style="list-style-type: none"> Non-Domestic Rates Waste Contract 	<ul style="list-style-type: none"> Treasury Management Procurement Cards Planning Application Fees 	<ul style="list-style-type: none"> Budget Monitoring Creditors Bank Reconciliation Fees and Charges Fraud Risk Assessment 	<ul style="list-style-type: none"> Fraud Baseline Assessment Payroll Home Safeguard 	<ul style="list-style-type: none"> Fraud Provision Reserves Management Debtors
Corp 3	Adequate emergency planning and business continuity	<ul style="list-style-type: none"> Emergency Planning Emergency Planning Follow Up 	<ul style="list-style-type: none"> Business Continuity 		<ul style="list-style-type: none"> Business Continuity Follow Up Martyn's Law Preparedness 	
Corp 4	Business failure of a major contractor or significant partner			<ul style="list-style-type: none"> Supplier Resilience Contract Management 	<ul style="list-style-type: none"> Supplier Resilience Follow Up Procurement 	<ul style="list-style-type: none"> Contract Management Follow Up Waste LATCo Leisure Services
Corp 5	Climate Change targets not achieved				<ul style="list-style-type: none"> Embedding Climate Change 	
Corp 6	Cyber Security				<ul style="list-style-type: none"> Strata Governance Mapping 	
Corp 7	Ensure robust decision making			<ul style="list-style-type: none"> Development Management 	<ul style="list-style-type: none"> Risk Management 	

Mapping the Internal Audit Plan and Strategic Risk Register

Appendix C

Risk ID	Risk Title	Internal Audit Coverage				
		2023/24	2024/25	2025/26	2026/27	2027/28
Corp 8	Failure to adequately protect staff health and safety at work			<ul style="list-style-type: none"> Corporate Health and Safety 	<ul style="list-style-type: none"> Corporate Health and Safety Follow Up 	
Corp 9	Failure to ensure that our corporate property portfolio is fully compliant with legal requirements.		<ul style="list-style-type: none"> Corporate Property Health and Safety 			
Corp 10	Failure to ensure the delivery of the Council Plan	<ul style="list-style-type: none"> Performance Management 		<ul style="list-style-type: none"> ASB Case Handling Community Asset Transfers Community Infrastructure Levy 	<ul style="list-style-type: none"> Property Records Performance Management Follow Up 	<ul style="list-style-type: none"> Corporate Project Management
Corp 11	HRA budget issues	<ul style="list-style-type: none"> Housing Damp and Mould Housing Electrical Safety Housing Asbestos Follow Up 	<ul style="list-style-type: none"> Housing Voids 	<ul style="list-style-type: none"> Housing Fire Safety Housing Legionella Housing Electrical Safety Follow Up 	<ul style="list-style-type: none"> Disrepair Claims Awaab's Law Compliance 	<ul style="list-style-type: none"> Housing Gas Safety
Corp 12	Impact of the economic situation on our residents				<ul style="list-style-type: none"> Housing Benefits 	<ul style="list-style-type: none"> Council Tax
Corp 13	Increasing homelessness		<ul style="list-style-type: none"> Temporary Accommodation 			
Corp 14	Recruitment and retention issues	<ul style="list-style-type: none"> IR35 Volunteer Management Recruitment and Onboarding Establishment Control 	<ul style="list-style-type: none"> Payroll (Starters and Leavers) Establishment System Controls 	<ul style="list-style-type: none"> IR35 Follow Up Establishment Control Follow Up Out of Hours Schemes Follow Up Volunteer Management Follow Up 		

Risk ID	Risk Title	Internal Audit Coverage				
		2023/24	2024/25	2025/26	2026/27	2027/28
Corp 15	Risk of significant data breach or significant non-compliance with relevant legislation	<ul style="list-style-type: none"> Information Governance Policies 	<ul style="list-style-type: none"> Local Government Transparency Code 		<ul style="list-style-type: none"> Information Governance Policies Follow Up 	
Corp 16	Risks in partnership working	<ul style="list-style-type: none"> Strategic Partnerships 		<ul style="list-style-type: none"> Strategic Partnerships Follow Up 		
Corp 17	Maintaining positive relationships		<ul style="list-style-type: none"> Ethical Governance 		<ul style="list-style-type: none"> Ethical Governance Follow Up 	
Corp 18	Poor data retention					<ul style="list-style-type: none"> Data Retention Compliance

We note not all strategic risks have scheduled reviews in 2026/27 and 2027/28. The council is responsible for delivering a wide range of functions, and therefore it is not possible to cover all associated risks in any one year. We will monitor these risks and flexibly adapt our audit plan as appropriate and if required to cover these risks.

Purpose

SWAP Internal Audit Services creates, protects, and sustains value by providing the audit committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight, that meets rigorous professional standards.

The internal audit function enhances East Devon District Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Institute of Internal Auditors Global Internal Audit Standards which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the audit committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adherence to the Professional Standards

The Accounts and Audit (England) Regulations, state that: "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."

The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements, subject to the Application Note for UK Public Sector Internal Audit. The chief audit executive will report annually to East Devon District Council's audit committee and senior management regarding the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, which will be assessed through a quality assurance and improvement program, managed and monitored by the SWAP senior management team and the SWAP board.

Mandate

Authority

The audit committee grants the internal audit function the mandate to provide the audit committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the audit committee. Such authority allows for unrestricted access to the audit committee.

The audit committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of East Devon District Council and other specialized services from within or outside East Devon District Council to complete internal audit services.

Independence, Organisational Position and Reporting Relationships

The chief audit executive will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The chief audit executive will report functionally to the audit committee and administratively (for example, day-to-day operations) to the Director of Finance (Section 151 Officer).

This positioning provides the authority and status to bring matters directly to senior management and escalate matters to the audit committee, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The chief audit executive will confirm to the audit committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The chief audit executive will disclose to the audit committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, audit committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change to the Global Internal Audit Standards in the UK Public Sector.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the chief audit executive, audit committee, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Audit Committee Oversight

To establish, maintain, and ensure that the internal audit function has sufficient authority to fulfil its duties, the audit committee will:

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to, communicates, and interacts directly with the audit committee, including in private meetings without senior management present.
- Ensure arrangements are in place to notify the chief audit executive of all suspected or detected fraud, corruption, or impropriety.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter annually with the chief audit executive to consider changes affecting the organisation, such as the employment of a new chief audit executive / head of internal audit or changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter annually.
- Approve the risk-based internal audit plan.
- Collaborate with senior management to determine the budgets, qualifications, and competencies the organisation expects in a chief audit executive, as described in the Global Internal Audit Standards in the UK Public Sector.
- Review the chief audit executive's performance, provide feedback to the SWAP CEO, plus senior management, and the organisation's CEO.
- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established.
- Review of the results of the quality assurance and improvement program annually.
- Make appropriate inquiries of management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

The chief audit executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of East Devon District Council and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for East Devon District Council or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any East Devon District Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, audit committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.

- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The chief audit executive has the responsibility to:

- At least annually, submit a risk-based internal audit plan to the audit committee and senior management for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the audit committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in East Devon District Council's business, risks, operations, programs, systems, and controls.
- Communicate with the audit committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the audit committee and senior management annually and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact East Devon District Council and communicate to the audit committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to East Devon District Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the audit committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the audit committee.

Communication with the Audit Committee and Senior Management

The chief audit executive will report annually to the audit committee and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.

- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the audit committee.
- Results of assurance and advisory services.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond East Devon District Council's risk appetite.
- Clarification over the responsibility to complete a fraud risk assessment, and presentation of this where responsibility belongs to SWAP.

Quality Assurance and Improvement Program

The SWAP senior leadership team in collaboration with the chief audit executive / will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the audit committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be completed at least once every five years by a qualified, independent assessor or assessment team from outside both SWAP and East Devon District Council; qualifications must include at least one assessor holding an active Chartered Internal Auditor credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all of East Devon District Council's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the audit committee and management on the adequacy and effectiveness of governance, risk management, and control processes for East Devon District Council.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of East Devon District Council's strategic objectives are appropriately identified and managed.

- The actions of East Devon District Council's officers, directors, management, employees, and contractors comply with East Devon District Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact East Devon District Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.