

INTERNAL AUDIT STRATEGY AND PLAN

2026/27



Mission Statement

To give confidence to the citizens of north Wales and the Corporate Joint Committee on the control environment and governance arrangements through independent and objective reporting to the Chief Finance Officer (Section 151 Officer) and the Governance and Audit Sub-Committee. Internal auditing strengthens the organisation's ability to create, protect and sustain value by providing the Governance and Audit Sub-Committee and Management with independent, risk-based, and objective assurance, advice, insight, and foresight.

INTERNAL AUDIT STRATEGY AND AUDIT PLAN

2026-27

1. INTERNAL AUDIT - OUR VISION STATEMENT

- 1.1 ***"To be a trusted pillar in governance, risk management, and control, recognized for our excellence in providing innovative, insightful, and proactive internal audit services. We aim to continuously enhance the Corporate Joint Committee's ability to achieve its strategic objectives, safeguard public resources, and foster transparency and accountability. Through our commitment to maintaining high standards, conformance with professional standards and dedication to continuous improvement, we strive to be a catalyst for positive change and a foundation to the Corporate Joint Committee's integrity and success."***

2. PURPOSE STATEMENT

- 2.1 **Internal auditing strengthens the organisation's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.**

Internal auditing enhances the establishment'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.

3. INTERNAL AUDITING AND THE PUBLIC INTEREST

- 3.1 Internal auditing plays a critical role in enhancing an organisation's ability to serve the public interest. While the primary function of internal auditing is to strengthen governance, risk management, and control processes, its effects extend beyond the organisation. Internal auditing contributes to an establishment's overall stability and sustainability by providing assurance on its operational efficiency, reliability of reporting, compliance with laws and/or regulations, safeguarding of assets, and ethical culture.

4. INTERNAL AUDIT STRATEGY AND PLAN

- 4.1 In developing the internal audit strategy and plan, consideration was given to how the Corporate Joint Committee:
- Establishes strategic objectives and makes strategic and operational decisions.
 - Oversees risk management and control.
 - Promotes an ethical culture.

- Delivers effective performance management and accountability.
 - Structures its management and operating functions.
 - Communicates risk and control information throughout the establishment.
 - Coordinates activities and communications among the Governance and Audit Sub-Committee and external providers of assurance services, e.g. Audit Wales.
- 4.2 The Strategy sets out how the service will be delivered and developed and is underpinned by the Internal Audit Charter that includes the internal audit's function mandate, organisational position, reporting relationships, authority, scope of work, types of services and other specifications.
- 4.3 Global Internal Audit Standards (GIAS), specifically Standard 9.2 Internal Audit Strategy stipulates that ***“the chief audit executive¹ must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organisation.”***
- 4.4 Global Internal Audit Standards (GIAS) Standard 9.4 states ***“the chief audit executive must create an internal audit plan that supports the achievement of the organisation's objectives.”***
- 4.5 The annual risk-based plan takes into account the requirement to produce an annual conclusion and report.
- 4.6 In preparing the internal audit plan, the Audit Manager considered the following:
- Engagements required by laws or regulations.
 - Engagements critical to the organisation's mission or strategy.
 - Areas and activities with significant levels of risk.
 - Advisory and ad hoc requests.
 - The time and resources required for each potential engagement.
 - Each engagement's potential benefits to the organisation, such as the engagement's potential to contribute to the improvement of the organisation's governance, risk management, and control processes.
- 4.7 In order to ensure that we are reviewing the right things, consideration was first given to the North Wales Growth Deal by reviewing the performance and risk report presented to the North Wales CJC Economic Well-being Sub-Committee on 15 May 2026, discussions with the Chief Executive, the Chief Finance Officer (Section 151 Officer) and the Assistant Head of Finance - Sustainability and Developments (Cyngor Gwynedd).

¹ Audit Manager

- 4.8 Financial Procedure Rule 9.12.5 states: ***“The Chief Finance Officer shall agree the medium-term and annual audit plans prepared by the Internal Audit Manager which takes account of the characteristics and relative risks of the activities involved. The plans shall be approved by the Governance and Audit Committee.”***
- 4.9 When preparing the audit plan, detailed in Appendix A, consideration was given to what the Service needs to do in order to achieve its purpose.
- 4.10 The 2026/2027 Internal Audit plan will also give appropriate consideration to the following:
- Will be aware at all times of the potential occurrence of fraud or corruption.
 - Continue to address specific grants, particularly where the conditions of the grant expect an Internal Audit review.
- 4.11 The audit plan will remain flexible in order to reflect any emerging issues or changes to risks and priorities of the Corporate Joint Committee. Any revisions or amendments to the Plan will be reported to the Governance and Audit Sub-Committee in the usual manner.
- 4.12 To ensure flexibility, Internal Audit will use the AGILE methodology where possible. The objectives of applying the Agile principles are:
- Increasing audit quality
 - Short audit cycles
 - More interaction with the auditee
 - Providing insights
- Agile provides a more flexible and dynamic Internal Audit Planning as a result of continuous risk monitoring.
- 4.13 It is projected that approximately 30 days of audit resources will be available to complete the 2026/27 audit plan.

5. REPORTING

- 5.1 The Audit Manager shall report regularly to the Governance and Audit Sub-Committee:
- On the results of Internal Audit work in the preceding period.
 - On any substantial control weaknesses discovered or audited.
 - Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus that could interfere with the achievement of the Council’s strategic objectives.
 - Progress on completion of the Internal Audit Plan for the current year.

6. ANNUAL CONCLUSION AND REPORT

- 6.1 The requirements of Domain IV, Standard 11.3 of the Global Internal Audit Standards 2024 (the “Standards”) and the Code of Practice for Internal Audit refers to the requirement for the chief audit executive to form an annual assurance opinion based on the annual programme of audit work as well as assurance obtained by other means.
- 6.2 The Audit Manager shall prepare an Annual Conclusion and Report to the first meeting of the Governance and Audit Sub-Committee after the end of the financial year, in accordance with the Standards.
- 6.3 The Annual Report will principally include:
- An annual opinion on the framework for governance, risk management and control.
 - A summary of the Internal Audit work completed from which the conclusion is derived.

7. FOLLOW-UP

- 7.1 Standard 15.2 of the Global Internal Audit Standards: Confirming the Implementation of Recommendations or Action Plans requirements states:
“Internal auditors must confirm that management has implemented internal auditors’ recommendations or management’s action plans following an established methodology, which includes:
- ***Inquiring about progress on the implementation.***
 - ***Performing follow-up assessments using a risk-based approach.***
 - ***Updating the status of management’s actions in a tracking system.”***
- 7.2 To this end, it is stated in paragraph 4.14 of the Internal Audit Charter ***“After an appropriate period, Internal Audit will conduct follow-up testing to ensure that what was agreed is operational. The results of follow-up work will be reported to Chief Officers and the Governance and Audit Sub-Committee.”***

8. TRAINING AND DEVELOPMENT

- 8.1 The Internal Audit Service will continue to invest in training to ensure the team continues their professional development and stays abreast of emerging risks and developments.
- 8.2 The Internal Audit Service is also committed to coaching and mentoring its staff, and to providing opportunities for appropriate professional development. This is reflected in the high proportion of staff holding a professional accountancy qualification as well as several members of the team continuing professional training during 2026/27.

- 8.3 To comply with the CIPFA and ACCA qualification, Internal Auditors holding this qualification are required to undertake a minimum hours of continued professional development each year.

9. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

- 9.1 The quality and improvement programme is established by the Audit Manager to evaluate and ensure the internal audit function conforms with the Global Internal Audit Standards, achieves performance objectives and pursues continuous improvement. The programme will include both internal and external assessments.

INTERNAL AUDIT PLAN 2026/2027

AUDIT	REASON	DAYS
Growth Deal – Clean Energy Fund), Industry Grant Scheme and the Public Sector Asset Improvement Grant Scheme	These Funds are live and transactions and claims will need to be audited by quarter 4.	11
Investment Zones	Verification of governance arrangements, risk management arrangements and a review of claims and transactions.	12
Arrangements for conducting due diligence checks	Access to the Government system has been established and a request has been received to undertake a review of the proposed process.	3
<i>Others:</i>		
Management and Committees	Time allocated for Internal Audit officers to attend committees and to manage work/prepare reports.	4
	Total Number of Days	30