

Item: 5

Monitoring and Audit Committee: 13 November 2025.

Internal Audit Plan – Progress Report.

Report by Chief Internal Auditor.

1. Overview

- 1.1. The Global Internal Audit Standards in the UK Public Sector include the requirement for the Chief Internal Auditor to report on progress against the annual audit plan and to ensure that the annual audit plan remains consistent with the Council's goals
- 1.2. Audit planning is a continuous process, and the plan can be reviewed and adjusted as required in response to changes in business, risks, operations and priorities.
- 1.3. At its meeting on 3 April 2025, the Monitoring and Audit Committee noted that a comprehensive planning process had been undertaken by the Chief Internal Auditor for the year 2025/26. The Committee recommended that the Internal Audit Annual Strategy and Plan for 2025/26 be approved.
- 1.4. The progress made to date against each item included in the approved plan, is detailed in Appendix 1 to this report. In summary, at approximately mid-point in the year, 29% of the audits in the 2025/26 plan have been completed with a further 27% in progress.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Scrutinise progress made to date in completing the Internal Audit Plan for 2025/26, as detailed in Appendix 1 to this report, in order to obtain assurance regarding delivery of the plan.

For Further Information please contact:

Andrew Paterson, Chief Internal Auditor, Extension 2107, email
andrew.paterson@orkney.gov.uk.

Implications of Report

- 1. Financial:** None directly related to the recommendations in this report.
- 2. Legal:** None directly related to the recommendations in this report.

3. **Corporate Governance:** In terms of the Scheme of Administration, the consideration of Internal Audit findings and recommendations and the review of actions taken on recommendations made, are referred functions of the Monitoring and Audit Committee.
4. **Human Resources:** None directly related to the recommendations in this report.
5. **Equalities:** An Equality Impact Assessment is not required in respect of Internal Audit Reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of Internal Audit Reporting.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - ☐ Growing our economy.
 - ☐ Strengthening our Communities.
 - ☐ Developing our Infrastructure.
 - ☐ Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - ☐ Cost of Living.
 - ☐ Sustainable Development.
 - ☐ Local Equality.
 - ☐ Improving Population Health.
9. **Environmental and Climate Risk:** None directly related to the recommendations in this report.
10. **Risk:** Internal Audit evaluates the effectiveness and contributes to the improvement of the risk management processes.
11. **Procurement:** None directly related to the recommendations in this report.
12. **Health and Safety:** None directly related to the recommendations in this report.
13. **Property and Assets:** None directly related to the recommendations in this report.
14. **Information Technology:** None directly related to the recommendations in this report.
15. **Cost of Living:** None directly related to the recommendations in this report.

List of Background Papers

Internal Audit Plan 2025/26.

Appendix

Appendix 1: Internal Audit Plan Progress Report 2025/26.



Internal Audit

Audit Plan Progress Report 2025/26

Issue date: 15 October 2025

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Introduction

The Internal Audit Charter requires that the Chief Internal Auditor provides the Monitoring and Audit Committee with a mid-year report on progress made against the audit plan including any material changes made or proposed to the plan.

Since the Internal Audit Plan was approved by the Monitoring and Audit Committee on 3 April 2025 there have been no changes.

All work that was carried over from the 2024/25 financial year has been completed. Ten audits from the 2025/26 plan have been completed, nine are in progress and 15 have yet to be started.

The table below shows the audit plan and the status of the individual audits.

The charts on page 3 give a visual representation of the position at approximately half-way through the year. The first chart shows the position for all audits in the table, including work carried over from 2024/25 and the second chart shows the position of audits from the 2025/26 plan.

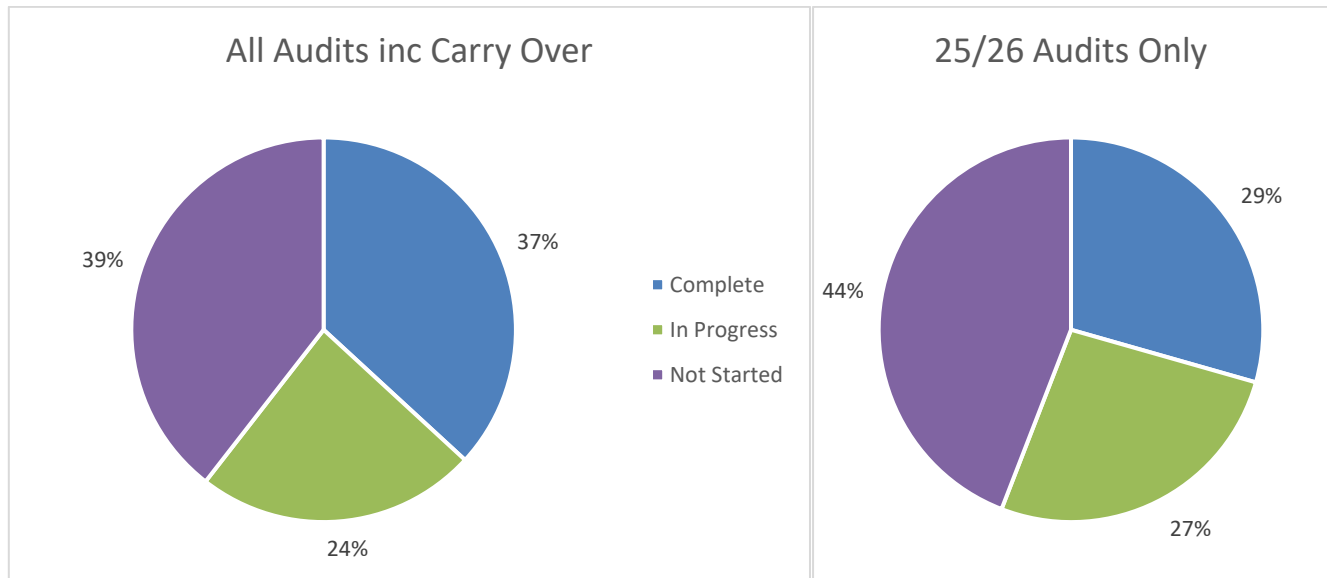
Audit Plan

System	Status of Audit
Carried Over from 2024/25	
Payroll	Complete
Pension Investments	Complete
Use of Consultants	Complete
Fleet Management	Complete
2025/26 Plan	
Non-Domestic Rates	Q3
Treasury Management	In Progress
Fixed Asset Register	In Progress
Financial Sustainability	Q4
School Establishment Audit – St Andrews Primary	Complete
School Establishment Audit – Stromness Primary	In Progress
School Establishment Audit – Westray Junior High	In Progress
School Establishment Audit – Papa Westray Primary	In Progress
School Establishment Audit – Papdale Primary	Q4
Recruitment Processes	In Progress

System	Status of Audit
Refuse Collection and Street Cleansing	Q4
Pickaquoy Centre Trust Service Agreement	Complete
HEES: ABS	Complete
Performance Management and Reporting Processes	Q3
Climate Change Net Zero Commitments	Q4
Operational Property	Q3
Marine Services – Maintenance and Inspection	In Progress
Criminal Justice Social Work	Q4
Elderly Residential Care Homes	Q4
Strategic Projects – Quanterness Windfarm	In Progress
UHI Orkney College Credits	Complete
UHI Orkney Discretionary & Childcare Funds	Complete
Performance Indicators	Complete
Stock Checks	Complete
Climate Change Reporting	Q3
Procurement Processes	Complete
School Establishment Audit KGS - Follow Up Audit	In Progress
OHAC Payment Processes - Follow Up Audit	Q3
Contingency	
School Meals and Instrumental Tuition Costs Review	Complete
IJB Chief Internal Audit Function	Ongoing
IJB Strategic Planning and Links with Localities	Q3
O&SVJB Chief Internal Audit Function	Ongoing
Corporate Governance and Risk Management	Q3
Financial Controls	Q3
Payroll	Q4
UHI Shetland	Complete

Audit Status

Status at 20 October 2025



Conclusion

At mid-point in the year, Internal Audit are in a relatively good position. As well as completing all of the 2024/25 audits carried over, we have 10 of the 2025/26 audits complete. Work will continue with the remaining audits in the plan including our IJB and O&SVJB commitments and any emerging issues which we will undertake as part of our contingency allowance.