
Report to: Audit & Scrutiny Committee

Date of Meeting: 11 June 2026

Subject: Internal Audit Progress Report

Report by: Internal Audit Manager

1.0 Purpose

1.1 This report provides an update on progress with completion of the 2025/26 Internal Audit Plan.

2.0 Recommendations

2.1 It is recommended that the Committee notes:

- progress made with the finalisation of the 2025/26 Internal Audit Plan;
- the carry forward of three audits into the 2026/27 Internal Audit Plan; and
- the action taken on duplicate payments.

3.0 Background

3.1 The 2025/26 Internal Audit Plan was agreed at Committee on [12 June 2025](#). It set out seventeen assignment areas to be completed by the team during the year. This included eight audit reports to be issued to Clackmannanshire Council (those eight audit reports do not include those assignments or reports undertaken and issued to the Central Scotland Valuation Joint Board¹).

3.2 Members are aware that the delivery of Internal Audit services to Clackmannanshire Council is via a Joint Working Agreement with Falkirk Council. Discussions are ongoing regarding the service for 2026/27 onwards.

4.0 Progress with Completion of the 2025/26 Internal Audit Plan

4.1 Of these eight audit reports:

- four audit reviews (Building Security, Climate Change, Council Tax Refunds, and Follow Up of the Review of Purchase Order Arrangements at Clackmannanshire Council for Adult Social Care) have been completed

¹ Other client work in 2025/26 only includes the Central Scotland Valuation Joint Board and not the Clackmannanshire and Stirling Integration Joint Board. From 2025/26 (for the next three years), the internal audit provision for Clackmannanshire and Stirling Integration Joint Board has passed to Stirling Council.

to final report stage (as part of our committed assignment programmes of work);

- one audit review (Medication in Schools) is at draft report stage and will be reported to a future Committee; and
- three have not been started. These reviews include Stirling and Clackmannanshire City Region Deal, Stores Management, and Disposal of IT Equipment.

4.2 A summary of progress is set out at **Appendix 1**. The assurance is provided in line with the definitions at **Appendix 2**.

4.3 We have experienced some delays in completion of the Internal Audit Plan. This has included preparing information for Police Scotland in relation to an ongoing investigation, as well as considerable time taken to finalise the audit 'Follow Up of Purchase Order Arrangements for Adult Social Care' due to the delay in responses from management within the Health and Social Care Partnership. There has also been a significant amount of work undertaken by Internal Audit to ensure compliance with the new Global Internal Audit Standards. A current absence in the Falkirk Council team has also impacted on the work plans for both Councils.

4.4 We have, therefore, been unable to finalise our outstanding assignments highlighted in paragraph 4.1. These assignments will be carried forward into the 2026/27 Internal Audit Plan. These delays and the current absence will not impact on the provision of the 2025/26 annual assurance opinion on risk management, governance, and control.

5.0 Continuous Auditing

5.1 Our work to identify duplicate creditor payments is conducted on a six monthly basis. All payments are reviewed to identify, for example, cancelled payments; credit notes; refunds; and duplicates.

5.2 For the period 01 October 2025 to 31 March 2026 we identified 41 potential duplicate payments with a gross value of £530,393 (0.6% of total payments). After further investigation by Internal Audit and the Corporate Accountancy Team 15 transactions have been confirmed as duplicates, with a value c£16,826. Appropriate recovery action is underway.

6.0 Conclusions

6.1 The team have experienced some delays in the completion of the 2025/26 Internal Audit Plan. A current absence in the team has also impacted on the finalisation of outstanding assignments. This will not impact on the provision of the annual assurance opinion on risk management, governance, and control in June 2026.

6.2 The work undertaken in 2025/26 will contribute to a balanced and evidenced based year-end opinion on arrangements for risk management, governance, and control.

7.0 Sustainability Implications

7.1 None Noted.

8.0 Resource Implications

Financial Details

8.1 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

8.2 Finance have been consulted and have agreed the financial implications as set out in the report. Yes

Staffing

8.3 No implications other than those set out in the report.

9.0 Exempt Reports

9.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

10.0 Declarations

10.1 The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box)
- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
- Our families; children and young people will have the best possible start in life
- Women and girls will be confident and aspirational, and achieve their full potential
- Our communities will be resilient and empowered so that they can thrive and flourish

- (2) **Council Policies**
- Complies with relevant Council Policies

11.0 Impact Assessments

11.1 Have you attached the combined equalities impact assessment to ensure compliance with the public sector equality duty and fairer Scotland duty? (All EFSIAs also require to be published on the Council's website)

Yes

11.2 If an impact assessment has not been undertaken you should explain why:

Not necessary as this report does not require a decision.

12.0 Legality

12.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

13.0 Appendices

13.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

- Appendix 1: Progress with Internal Audit Plan 2025/26
- Appendix 2: Definition of Internal Audit Assurance Categories and Classification of Recommendations

14.0 Background Papers

14.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Head of Corporate Services	

INTERNAL AUDIT PLAN

Summary of Progress with 2025/26 Internal Audit Plan

Planned Assignments (as per 2025/26 Internal Audit Plan)			
	Directorate	Assignment	Progress Status
Annual Recurring Assignments			
1.	Internal Audit	Global Internal Audit Standards: Self Assessment	In Progress
2.	Internal Audit	Strategic Annual Planning and Annual Assurance Work	Ongoing
3.	Internal Audit	Audit Committee / Working Group preparation and attendance	Ongoing
4.	Internal Audit	Team Management and other related tasks	Ongoing
5.	All Directorates	Continuous Auditing	Ongoing Assurance
6.	All Directorates	National Fraud Initiative	Ongoing Assurance
7.	All Directorates	Consultancy Work	Ongoing Assurance
8.	All Directorates	Work on Recommendations Outstanding	Ongoing Assurance
9.	Place	Validation Work Requests	Ongoing Assurance
10.	Place	Climate Change Act Public Body Duties Audit	Final Report Issued
Committed Assignments			
11.	Partnership and Performance / Health and Social Care Partnership	Follow Up of the Review of Purchase Order Arrangements at Clackmannanshire Council for Adult Social Care	Final Report Issued
12.	All Directorates	Stirling and Clackmannanshire City Region Deal	Not Started
13.	Partnership and Performance	Disposal of IT Equipment	Not Started
14.	All Directorates	Building Security	Final Report Issued
15.	Place	Stores Management	Not Started

Planned Assignments (as per 2025/26 Internal Audit Plan)			
	Directorate	Assignment	Progress Status
16.	Partnership and Performance	Council Tax Refunds	Final Report Issued
17.	People	Medication in Schools	Draft Report Issued
Other Client Work			
18.	Central Scotland Valuation Joint Board	The Internal Audit Plan for 2025/26 was presented to the Central Scotland Valuation Joint Board on 27 June 2025.	In Progress

DEFINITION OF INTERNAL AUDIT ASSURANCE CATEGORIES

Level of Assurance	Definition
Substantial assurance	Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives or leave them vulnerable to error or abuse.
Limited assurance	Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses likely to undermine the achievement of objectives and leave them vulnerable to an unacceptable risk of error or abuse.
No assurance	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or abuse is unacceptable. Significant improvements are required.

