

Internal Audit plan 2025/2026 mid-year progress report

Date of meeting 28 November 2025

Date of report 10 November 2025

Report by Chief Executive

1. Object of report

To ask the committee to note the progress made to date in achieving the Internal Audit plan and performance objectives for 2025/2026.

2. Background to report

The Internal Audit plan 2025/2026 was approved by the Audit and Standards committee, at its meeting of 21 February 2025.

In accordance with the Global Internal Audit Standards (GIAS), the Internal Audit plan provides the direction of travel and a framework for internal audit work in the forthcoming year. The plan is aligned to the Partnership's strategic objectives, the (local) code of corporate governance and assurance framework, whilst having scope to be responsive to change.

The risk-based plan and the scope of each engagement have been informed by:

- assurance framework;
- risk registers;
- external factors (i.e. governance initiatives, intelligence, and networking); and
- Strategy Group and senior management consultation.

The Audit and Assurance team provide Internal Audit services to Strathclyde Partnership for Transport and the Strathclyde Concessionary Travel Scheme Joint Committee. Most of the planned assurance engagements encompass both organisations as they share common core systems and business processes.

3. Outline of findings

The main objective of the Internal Audit plan for 2025/2026 is to provide an agile assurance service that assesses the effectiveness and efficiency of the Partnership's systems for internal control. The plan includes provision for consulting activities and fraud-related work.

Assurance engagements are an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control

processes and that operations are being conducted in accordance with external regulations, legislation, internal policies, and procedures (i.e. financial, performance, compliance, and system security engagements). Assurance levels are based upon findings and conclusions at an individual engagement level which, when collated on an annual basis, support SPT's view on systems for internal control.

Seven assurance engagements have been completed and reported to the Audit & Standards committee in 2025/2026, to date. A summary of each completed engagement and the assurance level(s) offered, is shown in Appendix 1.

To assist members a copy of the level(s) of assurance assigned to each engagement is provided to the committee at Appendix 2.

In addition, two follow-up reviews of assurance engagements have been completed in the financial year to November 2025. Follow-up reviews found that 5 of the 5 (100%) recommendations from previously reported engagements have been implemented.

Advisory services are services through which internal auditors provide advice to an organisation's stakeholders without providing assurance or taking on management responsibilities.

During 2025/2026, Audit and Assurance has provided advisory services in relation to SPT's response to Audit Scotland reports.

Managing the risk of fraud and corruption is the responsibility of SPT management. Audit and Assurance assist management in the effective discharge of this responsibility. The Counter Fraud Strategy (including Anti-Fraud and Corruption Policy, Whistle Blowing Policy and Financial Regulations relating to financial irregularity) outlines the Partnership's commitment to raise awareness, prevent, detect, investigate and report fraud. The annual Internal Audit plan includes provision for fraud-related work to support this strategy.

Audit and Assurance has provided assistance to management in line with the Partnership's commitment to raise awareness, prevent, detect, investigate, and report fraud.

Quality assurance

In the year to 31 October 2025, 180 of the 300 audit plan days (60%) have been achieved.

In accordance with the requirements of the Global Internal Audit Standards (GIAS), an internal self-assessment conformance exercise of the Audit and Assurance service has been completed. This exercise used good practice guidance, namely, the Institute of Internal Auditors self-assessment tool, as the benchmark.

The self-assessment found that the Audit and Assurance service generally conforms with the Global Internal Audit Standards.

The self-assessment action plan for 2025/2026 is outlined at Appendix 3.

The Audit and Assurance service has been independent in its planning, operation, and activity throughout 2025/2026, as set out in the Internal Audit Charter.

All engagements have been conducted in conformance with the Global Internal Audit Standards (GIAS) and the Internal Audit Charter.

4. Committee action

The Committee is asked to note the contents of this report and the progress made to date in achieving the Internal Audit plan for 2025/2026.

5. Consequences

Policy consequences	<i>In accordance with the Public Sector Internal Audit Standards 2017.</i>
Legal consequences	<i>In accordance with the Local Authority Accounts (Scotland) Regulations 2014.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>As detailed in the report.</i>
Climate Change, Adaptation & Carbon consequences	<i>None.</i>

Name Lesley Aird
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact *Iain McNicol, Audit and Assurance manager* on 0141 333 3195.

APPENDIX 1

Audit & Standards committee – 28 November 2025 Internal Audit plan 2025/2026

Assurance engagements reported as at November 2025

No.	Internal Audit plan engagement title	Status	Number of Recommendations	Date reported to Audit and Standards Committee	Assurance level
1	Regularity audit of Subway stock count	Complete	Nil	13 June 2025	Reasonable
2	Regularity audit of bus infrastructure stock count	Complete	Nil	13 June 2025	Sound in most areas
3	Contract audit of Emergency services network	Complete	3	5 September 2025	Reasonable
4	Contract audit of Temporary labour for Glasgow Subway	Complete	2	5 September 2025	Reasonable
5	Regularity audit of Early exit policy	Complete	3	28 November 2025	Reasonable
6	Regularity audit of the public bodies climate change duties report 2024/2025	Complete	Nil	28 November 2025	Sound in most areas
7	Core financial systems review of Scottish Government grants	Complete	Nil	28 November 2025	Sound in most areas

APPENDIX 2

Levels of Assurance (Statement of opinion on the adequacy and effectiveness of internal controls)

Engagement findings and conclusions	Statement of opinion on the adequacy and effectiveness of the internal controls	Assurance Level
Objectives of internal control have been met in all areas within the scope of the audit engagement. Key controls exist and are applied consistently and effectively in all areas.	Clean opinion	'Sound Assurance' [Full Assurance]
Objectives of internal control have been met in almost all areas within the scope of the audit engagement. Key controls exist and are applied consistently and effectively in most areas. Areas for Improvement are Low risk.	Clean opinion	'Sound Assurance in most areas' [Substantial Assurance]
Objectives of internal control have been met in the majority of areas within the scope of the audit engagement. Some non-compliance/weaknesses identified. Key controls exist and are applied consistently and effectively in the majority of areas. Areas for Improvement are Medium risk.	Clean opinion	'Reasonable Assurance' [Moderate Assurance]
Objectives of internal control have not been fully achieved within the scope of the audit engagement. Non-compliance/weaknesses identified. Key controls exist but are not applied consistently and effectively. Areas for Improvement are Medium and/or High risk.	Qualified opinion	'Reasonable Assurance Except for.....' [Limited Assurance]
Objectives of internal control have not been achieved within the scope of the audit engagement. Significant non-compliance/weaknesses identified. Areas for Improvement are High risk.	Adverse opinion	'Reasonable Assurance cannot be placed' [No Assurance]

APPENDIX 3

Internal Audit plan 2025/2026 – mid-year progress report

Global Internal Audit Standards (GIAS) self-assessment

Action plan 2025/2026

GIAS reference(s)	Area for Improvement	Action(s)	Lead Officer	Timescale
<i>3.1 Competency</i> <i>3.2 Continuing Professional Development (CPD)</i>	Skills, knowledge and continuous professional development of Audit and Assurance team.	Implement training plan 2025/2026. Continue to identify areas to enhance service delivery. To embed data analytics as part of standard process and structure of engagement work.	Audit and Assurance manager	On-going/ March 2026
<i>8.3 Quality</i> <i>12.1 Internal Quality Assessment</i>	The chief audit executive must develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function.	Initial self-assessment exercise undertaken in October 2025	Audit and Assurance manager	On-going/ March 2026
<i>9.3 Methodologies</i>	The chief audit executive must establish methodologies to guide the internal audit function in a systematic and disciplined manner to implement the internal audit strategy, develop the internal audit plan, and conform with the Standards.	To embed data analytics as part of standard process and structure of engagement work.	Audit and Assurance manager	On-going/ March 2026