










Draft Internal Audit Strategy for ESPO (January 2026 to March 2028)

Appendix 3

Vision: To become an established trusted advisor and strategic partner to senior management, providing independent and objective assurance, insight and challenge that contributes to informed decision-making, improved governance, and enhanced organisational performance.

Mission: We enhance and protect ESPO's organisational value by providing risk-based, objective and impactful assurance, insight and

State – January 2026	Strategy			State – March 2028
Current State	Strategic IA Objectives	Strategic IA Initiatives	Priority	Desired End State
73% of audit clients are very satisfied with the timeliness & quality of insights in audit reports.	Improve the timeliness & quality of insights in reports.	Integrate conversations into the engagement process at key intervals to refine and finalise audit insights.		85% of clients are very satisfied with the timeliness & quality of insights in reports.
For appropriate audits 40% of auditors use data analytics in the engagement.	a. Embed audit technology and analytics into audit for all audit workflows. b. Increase auditors' digital acumen and data literacy.	a. Pilot continuous monitoring in at least two new key risk areas. b. Establish & reinforce baseline, role-level expectations for data analytics use c. Regular training and upskilling		For appropriate audits 100% of auditors use data analytics for engagements.
AI is infrequently utilised	Embed the controlled use of AI	Attend demonstrations by peers into utilisation of AI Comply with IT policy on safe use of AI		All audits utilise AI (in some capacity) within a robust control environment
80% of auditors are highly engaged and feel managers are invested in their careers.	Refine talent strategy to recruit, retain, & engage next generation auditors. Re-run SWOT	Develop career pathways to help communicate & clarify career options and development opportunities for auditors		100% of auditors are highly engaged & feel managers are invested in their careers.
IA Maturity Analysis: Self-assessed between Level 3 (Implemented) ¹ & Level 4 (Managed) ²	Close any gaps so that Level 4 is attained	Workshops with Senior Management.		Level 4 attained/maintained. Working towards level 5 (Optimising) ³ .
Unplanned for impact/changes from LGR	On decision engage staff & other LAs	Join audit network LGR group		Successfully implement outcome

Uncertainty over level of GIAS conformance	Identify and address gaps Align to EQA improvements areas	Utilise IA networks & CIPFA tools & guidance Specific GIAS training		Full conformance by March 2026
Key Performance Indicators/Performance Reporting require review and update	Identify and address gaps	Utilise IA networks Design & Implement Monitoring and Reporting Tool		Routine reporting as and when required for Senior Management and Subcommittee
Improvements required following self-assessment against CIPFA Code of Practice for the Governance of IA in LG	Complete actions by end of May 2026	Compliance with identified actions		Report conformance to Code to October 2026 Subcommittee

Internal Audit Maturity Analysis Framework Levels

¹ Level 3 - Implemented: At the Implemented level, internal audit policies, procedures, and approaches are formally defined, documented, and integrated with one another. The function consistently adheres to professional standards, such as the GIAS. Technology and data analytics are embedded into the audit lifecycle, enabling more efficient and effective assurance.

² Level 4 - Managed: As the function reaches the Managed level, it becomes an integral component of the organisation's governance and risk management framework. Audit plans are dynamic and responsive to changing business needs. Continuous monitoring and data-driven insights enable proactive risk identification. The function is seen as a trusted advisor, delivering value beyond basic assurance.

³ Level 4 - Optimised: At the pinnacle of maturity, the internal audit function is fully aligned with the organisation's purpose and strategic objectives. It focuses on continuous learning and improvement, leveraging advanced analytics and innovative techniques to deliver predictive insights. The function is adaptive and consistently delivers measurable value to the organisation.