

REVISED INTERNAL AUDIT CHARTER 2025-2026

Head of Service:	Andrew Bircher, Assistant Director of Corporate Services
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Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Internal Audit Charter 2025/26 (Revised)

Summary

This report provides the Audit & Scrutiny Committee with the Internal Audit Charter 2025/26 (Revised).

Recommendation (s)

The Committee is asked to:

- (1) Approve the Internal Audit Charter 2025/26 (Revised) as set out in Appendix 1.

1 Reason for Recommendation

- 1.1 The Committee has a responsibility to approve the Internal Audit Charter in accordance with the Global Internal Audit Standards.

2 Background

- 2.1 The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

‘A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

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- 2.2 From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).
- 2.3 The Standards (6.2) require all internal audit providers to implement and maintain an 'Internal Audit Charter'. The internal audit charter is defined as 'a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications'.
- 2.4 The Internal Audit Charter for 2025/ 26 was originally approved by the Audit and Scrutiny Committee on 27 March 2025.
- 2.5 Since approval, personnel changes within the Southern Internal Audit Partnership's senior management team have led to a review of portfolio responsibilities. Consequently, a new Chief Internal Auditor has been assigned to the Council. It is important that such change is reflected in a revision to the Internal Audit Charter (Appendix 1 – page 6).
- 2.6 Opportunity has further been taken to update the roles and responsibilities of Senior Management and the Audit Committee to reflect the expectations of the Standards and good practice guidance in the governance of internal audit reports during the year (Appendix 1 – page 17). The changes in each case reflect the requirement to note certain internal audit reports and documentation rather than to approve:
- 2.7 Whilst revisions are minimal in volume it is important they are captured and accurately reflected within the Council's Internal Audit Charter.

3 Risk Assessment

Legal or other duties

- 3.1 Equality Impact Assessment
 - 3.1.1 None for the purposes of this report.
- 3.2 Crime & Disorder
 - 3.2.1 None for the purposes of this report.
- 3.3 Safeguarding
 - 3.3.1 None for the purposes of this report.
- 3.4 Dependencies

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3.4.1 None for the purposes of this report.

3.5 Other

3.5.1 None for the purposes of this report.

4 Financial Implications

4.1 There are no financial implications in this report.

Section 151 Officer's comments: None arising from the contents of this report.

5 Legal Implications

5.1 There are no legal implications arising from this report.

5.2 **Legal Officer's comments:** The council is required by statute (under the Regulations 3 & 5 of the Accounts and Audit Regulations 2015 and section 151 of the Local Government Act 1972) to have an adequate and effective internal audit function. Regulation 3 of the Accounts and Audit Regulations 2015 requires the council to ensure that it has a sound system of internal control which (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and (c) includes effective arrangements for the management of risk. Regulation 5 of the Accounts and Audit Regulations 2015 requires the council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

5.3 In addition, the council must each financial year conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement (Regulation 6 (1) of the Accounts and Audit Regulations 2015). SIAP are the appointed council's internal auditors. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report submitted to the last meeting of this Committee.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

6.1.1 Effective Council: Engaging, responsive and resilient Council.

6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** not applicable.

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- 6.4 **Sustainability Policy & Community Safety Implications:** not applicable.
- 6.5 **Partnerships:** not applicable.
- 6.6 **Local Government Reorganisation Implications:** not applicable.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

Previous reports:

Audit and Scrutiny Committee (2025) *Internal Audit Plan 2025-2026 and Internal Audit Charter 2025-2026*, 27th March 2025. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1523>

Other papers:

- None.