

## INTERNAL AUDIT STRATEGY

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| <b>Head of Service:</b>       | Andrew Bircher, Assistant Director of Corporate Services  |
| <b>Report Author</b>          | Iona Bond, Deputy Head of Southern Internal Audit Partnership                                     |
| <b>Wards affected:</b>        | (All Wards);  |
| <b>Appendices (attached):</b> | <b>Appendix 1</b> – Internal Audit Strategy 2025-28<br><b>Appendix 2</b> – Questionnaire Feedback |

### Summary

The purpose of this report is to provide the Audit and Scrutiny Committee with the Internal Audit Strategy 2025–2028.

### Recommendation (s)

#### The Committee is asked to:

- (1) Note the Internal Audit Strategy 2025-2208.

## 1 Reason for Recommendation

- 1.1 In accordance with the Global Internal Audit Standards in the UK Public Sector the Chief Internal Auditor is required to create and develop an Audit Strategy.

## 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 are referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).
- 2.3 The Standards (9.2) require all internal audit providers to develop and maintain an 'Internal Audit Strategy'. The internal audit strategy is defined as 'a plan of action designed to achieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. An internal audit strategy helps guide the internal audit function towards the fulfilment of the internal audit mandate'.

### **Developing the Internal Audit Strategy**

- 2.4 Engagement with the Audit Committee and senior management has been imperative in developing the internal audit strategy, to ensure the Southern Internal Audit Partnership's strategic objectives align with stakeholder expectations.
- 2.5 It is not practical for the Southern Internal Audit Partnership to maintain more than 30 separate and potentially competing internal audit strategies specific to each of our partners. Consequently, in considering potential objectives, the Southern Internal Audit Partnership undertook a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to focus on potential areas for development to further enhance our internal audit offering and to remain sustainable, innovative and future focused. The outcome of our analysis assisted in forming seven potential objectives for inclusion in the internal audit strategy.
- 2.6 A survey was then issued to all Audit Committee members (or equivalent) and senior officers across the wider Partnership to seek their views and prioritisation of the seven objectives to optimise internal audit provision over the medium term (3 to 5 years).
- 2.7 Feedback from the survey (Appendix 2) was analysed with the top three objectives forming the basis of the internal audit strategy.

### **Internal Audit Strategy 2025-28**

- 2.8 The internal audit strategy is presented to the Audit Committee for review and noting. The strategy will be periodically reviewed with ongoing updates to the Audit Committee on the achievement and delivery of objectives as part of our regular progress reports.

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### 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

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.

### 6 Policies, Plans & Partnerships

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

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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.

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 None.