

REPORT TITLE: INTERNAL AUDIT STRATEGY 2025-28

27 NOVEMBER 2025

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Deputy Leader and Cabinet Member for Finance and Transformation

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WARD(S): ALL WARDS

PURPOSE

The purpose of this report is to provide the Internal Audit Strategy 2025-28 in accordance with the Global Internal Audit Standards in the UK Public Sector.

RECOMMENDATIONS:

1. The Audit & Governance Committee are requested to review and note the Internal Audit Strategy 2025-28.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Internal audit plays a vital role in supporting the Council accomplish plan outcomes by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.2 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.
- 1.3 The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council Plan Outcomes.

2 FINANCIAL IMPLICATIONS

- 2.1 Internal audit is provided through the Southern Internal Audit Partnership. The plan comprises a total of 295 audit days and the associated cost for 2025-26 is £112,100.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 There are no additional legal or procurement implications for the Council arising from the content of this report.

4 WORKFORCE IMPLICATIONS

- 4.1 There are no additional workforce implications arising from the content of this report.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 There are no property and asset implications arising from the content of this report.

6 CONSULTATION AND COMMUNICATION

- 6.1 The contents of this report were discussed and noted with the Executive Leadership Board.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 There are no environmental implications arising from the content of this report.

8 PUBLIC SECTOR EQUALITY DUTY

8.1 None.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
Financial Exposure	Internal audit supports the Council to ensure proper financial management, effective and transparent governance, risk management and control through its audit activities and assurance service.	Enhancement of the Council's reputation through the strengthening of the effectiveness of risk management, control and governance processes. Further enhancement to the internal audit services provided.
Exposure to challenge		
Innovation		
Reputation		
Achievement of outcome		

11 SUPPORTING INFORMATION:

11.1 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.'

11.2 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).

11.3 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

- 11.4 Engagement with the Audit & Governance 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.
- 11.5 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.
- 11.6 A survey was then issued to all Audit & Governance 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).
- 11.7 Feedback from the survey (Appendix B) was analysed with the top three objectives forming the basis of the internal audit strategy.

Internal Audit Strategy 2025-2028

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

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 There are no other options to consider as an internal audit strategy is a requirement of the Global Internal Audit Standards against which all internal audit providers must conform.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG151 Implementation of the Global Internal Audit Standards

AG165 Internal Audit Charter and Risk-Based Plan 2025-26

Other Background Documents:-

None.

APPENDICES:

Internal Audit Strategy 2025-2028 (Appendix A)

Feedback and Prioritisation of Objectives (Appendix B)