

## Audit Committee – 31 October 2025

### Internal Audit Strategy 2025-2028

Purpose	For information
Classification	Public
Executive Summary	The purpose of this paper is to provide the Internal Audit Strategy 2025-2028.
<b>Recommendation(s)</b>	<b>The Audit Committee are requested to:</b> <b>1. review and note the Internal Audit Strategy 2025-2028.</b>
Reasons for recommendation(s)	The Audit Committee have a responsibility to review and note the Internal Audit Strategy in accordance with the Global Internal Audit Standards in the UK Public Sector.
Ward(s)	All Wards
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune, Strategic Director of Corporate Resources and Transformation. S151 Officer
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## **Introduction and background**

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.'*

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).
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**

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.
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.

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).
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**

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.

### **Corporate plan priorities**

9. 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. 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 organisation's objectives.

### **Options appraisal**

10. 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.

### **Consultation undertaken**

11. This report has been discussed with the Executive Management Team (EMT) on 23 September 2025. EMT:-
  - Reviewed and noted the Internal Audit Strategy 2025-2028; and
  - Recommended the Internal Audit Strategy 2025-2028 to the Audit Committee for review and noting.

## **Financial and resource implications**

12. The audit plan consists of 400 audit days including 18 audit days provided to the New Forest National Park Authority under the current Service Level Agreement. The Council's budget for 2025-26 reflects these arrangements.

## **Legal implications**

13. The statutory requirement for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015. Internal audit functions within the UK Public Sector must conform with The Global Internal Audit Standards in the UK Public Sector (the Standards). The Standards require the Chief Internal Auditor to develop and maintain an internal audit strategy. This report provides the Audit Committee with the Internal Audit Strategy 2025-2028.

## **Risk assessment**

14. Failure to develop and maintain an internal audit strategy would lead to an audit service which does not comply with the Standards and could result in missed opportunities to further enhance the audit services provided to the Council.

## **Environmental / Climate and nature implications**

15. There are no additional implications arising from this report.

## **Equalities implications**

16. There are no additional implications arising from this report.

## **Crime and disorder implications**

17. There are no additional implications arising from this report.

## **Data protection / Information governance / ICT implications**

18. There are no additional implications arising from this report.

### **Appendices:**

Appendix 1 – Internal Audit Strategy 2025-2028  
Appendix 2 – Feedback and Prioritisation of Objectives

### **Background Papers:**

Implementation of the Global Internal Audit Standards  
Internal Audit Charter and Plan 2025-26