

Audit Committee – 31 October 2025

Internal Audit Charter 2025-26 (September 25 Revision)

Purpose	For information
Classification	Public
Executive Summary	The purpose of this paper is to provide an update on revisions to the Internal Audit Charter 2025-26 for New Forest District Council.
Recommendation(s)	The Audit Committee are requested to: 1. review and approve the revisions to the Internal Audit Charter 2025-26.
Reasons for recommendation(s)	The Audit Committee have a responsibility to review and approve the Internal Audit Charter 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
Officer Contact	Antony Harvey Deputy Head of Southern Internal Audit Partnership 07784 265289 antony.harvey@hants.gov.uk

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 (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'.
4. The Internal Audit Charter for 2025–26 was originally approved by the Audit Committee on 25 March 2025.
5. Within the internal audit charter there is a requirement for ongoing review to ensure that any changes to the Global Internal Audit Standards in the UK Public Sector, reorganisation within the organisation or other significant changes affecting the nature and scope of internal audit services are considered.
6. Opportunity has been taken to update the roles and responsibilities of Senior Management (Executive Management Team – EMT) 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, shown as tracked changes for ease of reference, reflect the requirement to note certain internal audit reports and documentation rather than to approve.

7. Whilst revisions are minimal in volume it is important they are captured and accurately reflected within the Council's Internal Audit Charter.

Corporate plan priorities

8. 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

9. No alternative options have been considered as the Internal Audit Charter is a requirement under relevant legislation and standards.

Consultation undertaken

10. This report has been discussed with the Executive Management Team (EMT) on 23 September 2025. EMT:-
 - Reviewed and noted the revisions to the Internal Audit Charter 2025-26; and
 - Recommended the revised Internal Audit Charter 2025-26 to the Audit Committee for approval.

Financial and resource implications

11. 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

12. 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 all internal audit providers to implement and maintain an 'Internal Audit Charter'. This report provides the Audit Committee with a revised Internal Audit Charter 2025-26, which has been updated to reflect the expectations of the Standards and good practice guidance in the governance of internal audit reports during the year.

Risk assessment

13. Failure to implement and maintain an internal audit charter would lead to an audit service which does not comply with the Standards.

Environmental / Climate and nature implications

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

Equalities implications

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

Crime and disorder implications

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

Data protection / Information governance / ICT implications

17. There are no additional implications arising from this report

Appendices:

Appendix 1 – Internal Audit Charter
2025-26 (September 2025 Revision)
– tracked changes

Background Papers:

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