

## **REPORT TO AUDIT AND GOVERNANCE COMMITTEE**

Date of Meeting: **19 March 2025**

Report of: **Head of Internal Audit, Assistant Director SWAP**

Title: **INTERNAL AUDIT PLAN AND INTERNAL AUDIT CHARTER AND MANDATE FOR THE YEAR ENDED 31 MARCH 2026**

Is this a Key Decision?

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

1.1 The report sets out the proposed Internal Audit Plan for 2025/26 as well as the Internal Audit Charter and Mandate.

#### **2. Recommendations:**

2.1 That the 2025/26 Internal Audit Plan and Internal Audit Charter and Mandate are both reviewed and approved.

#### **3. Reasons for the recommendation:**

3.1 It is a requirement for the committee to approve the Internal Audit Plan and the Internal Audit Charter and Mandate.

#### **4. What are the resource implications including non financial resources**

4.1 None

#### **5. Section 151 Officer comments:**

5.1 This is the first year of SWAP consulting and proposing the internal audit plan from the start of the year. SWAP have consulted with members of the Audit & Governance Committee and SMB. The proposed plan has been developed taking those views into account.

## **6. What are the legal aspects?**

6.1 Internal Audit is a statutory requirement in accordance with the broad requirements of section 151 of the Local Government Act 1972 which requires that, inter alia, '...every local authority shall make arrangements for the proper administration of their financial affairs'. More particularly, the role of Internal Audit is set out in the Accounts and Audit (England) Regulations 2015. Regulation 3 requires a local authority to have '...a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk'. Regulation 5 sets out the provisions concerning the role of Internal Audit and states that '[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'

## **7. Monitoring Officer's comments:**

7.1 Internal audit is an essential function '...providing risk-based and objective assurance, advice and insight' as stated in the Institute for Internal Auditors' 2017 Mission Statement.

The Mission Statement goes provides a definition of the role of internal audit and states that the fundamental purpose, nature and scope of internal audit is to provide '...an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes'.

By working with services across the Council, Internal Audit works to ensure that Council objectives are met and that risks are well managed.

## **8. Report details:**

- 8.1 In line with our professional standards SWAP needs to establish a risk based plan to determine the priorities of the Internal Audit activity, based on sufficient and appropriate coverage of key business objectives and associated risks. This risk based plan must take account of the requirement to provide an annual audit opinion on the effectiveness of the Council's Governance, risk management and internal control environment.
- 8.2 The outcomes of each of the audits in our planned programme of work will provide senior management and Members with assurance that the council is adequately managing its current risks.

## **9. How does the decision contribute to the Council's Corporate Plan?**

- 9.1 Good governance contributes to the Council's purpose of a "Well Run Council".

## **10. What risks are there and how can they be reduced?**

N/A

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 The report is for information only.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

N/A

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## **Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:-

None

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