

Report to **Policy & Resources Committee**
Date **19 February 2026**
By **Head of Governance and Monitoring Officer**
Title of Report **CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government**

Decision

Recommendation: The Committee is recommended to:

- 1. Receive and consider the self-assessment at Appendix I against the Code of Practice for the Governance of Internal Audit in UK Local Government; and,**
 - 2. Approve the actions arising from the self-assessment.**
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1. Introduction

- 1.1 The purpose of this report is to update Policy & Resources Committee on the Code of Practice for the Governance of Internal Audit in UK Local Government (the Code) which came into force on 1 April 2025 and to report on the results of the self-assessment against it, along with any actions arising.
- 1.2 CIPFA has developed the Code in order to support authorities in establishing their internal audit arrangements and providing oversight and support for internal audit. The Code is designed to work alongside the Global Internal Audit Standards (GIAS), which were reported to the Policy and Resources Committee on 18 September 2025.

2. Policy Context

- 2.1 The statutory basis for Internal Audit in local government is provided in the Accounts and Audit Regulations 2015, which 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*”.
- 2.2 With effect from 1 April 2025, the ‘standards or guidance’ in relation to internal audit are those laid down in the GIAS, Application Note: GIAS in UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The Code of Practice has therefore been developed to provide a framework for how these conditions can be met within the specific context of UK Local Government, including roles and responsibilities of the Audit Committee, senior management and those charged with governance towards internal audit.
- 2.3 CIPFA highlights that effective arrangements for the governance of internal audit, as well as effective internal audit, are vital parts of a local authority’s governance arrangements and

therefore require local authorities to explain how they comply with the Code within their annual governance statements.

3. Issues for consideration

- 3.1 A full copy of the self-assessment against the new Code is attached to this report as Appendix I and includes details of proposed actions arising from it.
- 3.2 As can be seen, the organisation is generally conforming with the majority of the Code with the exception of a small number of areas. The following actions, detailed further in Appendix I, have been proposed to address these areas:
 - The need for the Authority to explain how it complies with the new Code within its Annual Governance Statement (AGS) will be addressed through the 2025/26 AGS.
 - The need for the P&R Committee to meet at least annually with the Chief Internal Auditor in sessions without senior management present will be facilitated through the scheduled audit and risk workshops with the committee.
 - The need to consider how the P&R Committee follows the CIPFA audit committee guidance for the oversight of internal audit will be considered through a formal review to be included in the annual appointments report to the National Park Authority at which the committee’s terms of reference are agreed.
 - The need for the P&R Committee to include its conclusions as to the effectiveness of Internal Audit as part of its own annual report. The annual report is produced by the Chair of the Committee following the Committee’s Away Day and will include the committee’s conclusions.
- 3.3 In all cases, management will be working with the P&R Committee to implement the necessary actions during 2026.

4. Other implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	No
How does the proposal represent Value for Money?	The Internal Audit Service is provided through a contract with Brighton & Hove City Council which formed part of a wider procurement of financial services.
Which PMP Outcomes/ Corporate plan objectives does this deliver against	All PMP Outcomes and Corporate plan objectives are considered as part of the annual audit plan process.
Links to other projects or partner organisations	Brighton and Hove City Council.
How does this decision contribute to the Authority’s climate change objectives	This report doesn’t directly contribute to the Authority’s climate change objectives.
Are there any Social Value	No

Implication	Yes*/No
implications arising from the proposal?	
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	Yes – the equality duty is considered in individual audit reviews as appropriate.
Are there any Human Rights implications arising from the proposal?	No
Are there any Crime & Disorder implications arising from the proposal?	No
Are there any Health & Safety implications arising from the proposal?	No
Are there any Data Protection implications?	No

5. Risks Associated with the Proposed Decision

- 5.1 Internal Audit has an important role to play in relation to effective risk management for the organisation. The SDNPA risk register is considered when developing the Internal Audit Strategy and Plan and the planning of individual audit reviews. Audit review and testing of controls are orientated towards these risks plus the operational controls within individual systems and services.

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Appendices:	1. CIPFA Code of Practice for the Governance of Internal Audit Self- Assessment
SDNPA Consultees	Chief Executive; Director of Strategy and Operations; Director of Placemaking; Chief Finance Officer; Legal Services; Head of Finance & Corporate Services.
External Consultees	None
Background Documents	CIPFA Code of Practice for the Governance of Internal Audit

Internal Audit Annual Report and Opinion

Internal Audit Annual Strategy, Plan and Charter