

## For publication

### Review of the Internal Audit Charter

<b>Meeting:</b>	Standards and Audit Committee
<b>Date:</b>	29 <sup>th</sup> September 2021
<b>Cabinet portfolio:</b>	Governance
<b>Directorate:</b>	Finance
<b>For publication</b>	

#### 1.0 Purpose of the report

- 1.1 To report to Members for information and approval the results of a review of the Internal Audit Charter. The Public Sector Internal Audit Standards (PSIAS) state that the Head of Internal Audit must periodically review the Internal Audit Charter and present it to the relevant Committee for approval.

#### 2.0 Recommendations

- 2.1 That Members note the outcome of the review of the Internal Audit Charter.
- 2.2 That subject to any comments Members may wish to make, that the Internal Audit Charter be agreed.
- 2.3 That the agreed Internal Audit Charter be reviewed in a years' time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards

#### 3.0 Reason for recommendations

- 3.1 To comply with the Public Sector Internal Audit Standards and to clearly set out the purpose, authority and principal responsibilities of the Internal Audit Consortium.

## **4.0 Report details**

- 4.1 The Public Sector Internal Audit Standards (PSIAS) which took effect from the 1 April 2013 require that the purpose, authority and responsibility of internal audit must be formally defined in an Internal Audit Charter (Appendix 1).
- 4.2 The Internal Audit Charter was last formally approved by this Committee in September 2020. It was agreed that the Charter would be reviewed every year to ensure that it is kept up to date.
- 4.3 There have been no updates to the PSIAS since the last review of the charter.
- 4.4 The current Internal Audit Charter has been reviewed and it is felt that it is still fit for purpose. In places the current Charter refers to “internal control” or the “control environment”, these references have been replaced by the current best practice terminology which is “risk management, governance and internal control processes”. The other change is in respect of Bolsover District Council Audit Committee now being the Audit and Corporate Overview Scrutiny Committee.
- 4.5 The Internal Audit Charter is attached as Appendix 1.

## **5.0 Alternative options**

- 5.1 There are no alternative options.

## **6 Implications for consideration – Council Plan**

- 6.1 None.

## **7 Implications for consideration – Financial and value for money**

- 7.1 The adoption of a Charter in line with the PSIAS helps to ensure that the Internal Audit Consortium is operating in line with best practice and thereby providing value for money.

## **8 Implications for consideration – Legal**

- 8.1 The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the

Council to “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”.

## **9 Implications for consideration – Human resources**

9.1 None.

## **10 Implications for consideration – Risk management**

10.1 The re-adoption of the Internal Audit Charter will help to ensure that the Internal Audit Consortium continues to provide a quality service in line with the PSIAS reviewing risk management, governance and internal control processes.

## **11 Implications for consideration – community wellbeing**

11.1 None.

## **12 Implications for consideration – Economy and skills**

12.1 None.

## **13 Implications for consideration – Climate Change**

13.1 None.

## **14 Implications for consideration – Equality and diversity**

14.1 None

## Decision information

<b>Key decision number</b>	<i>Non-key</i>
<b>Wards affected</b>	<b>None</b>

## Document information

<b>Report author</b>	
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<b>Background documents</b>	
None	
<b>Appendices to the report</b>	
Appendix 1	Internal Audit Charter