

For publication

Review of the Internal Audit Charter

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| Meeting: | Standards and Audit Committee |
| Date: | 13th September 2023 |
| Cabinet portfolio: | Governance |
| Directorate: | Finance |
| For publication | |

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 2022. It was agreed that the Charter would be reviewed every year to ensure that it is kept up to date and in accordance with CIPFA best practice.
- 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.
- 4.5 The Internal Audit Charter is attached as Appendix 1.
- 4.6 It is worth noting that there has been consultation in respect of some new Global Internal Audit Standards that are due to be issued at the end of 2023. Following this, CIPFA intend to review the Public Sector Internal Audit Standards by the end of 2024. Where necessary I will review our approach to ensure that we remain compliant with the Standards.

5 Alternative options

- 5.1 There are no alternative options.

6 Implications for consideration – Financial and value for money

- 6.1 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.

7 Implications for consideration – Legal

- 7.1 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”.

8 Implications for consideration – Human resources

- 8.1 None

9 Implications for consideration – Council plan

- 9.1 A current audit Charter will help to ensure that internal audit operates in accordance with the PSIAS which includes focusing on helping the Council to achieve the objectives within the council plan.

10 Implications for consideration – Climate change

10.1 There are not considered to be any direct climate change impacts in relation to this report. However, the adoption of a Charter means that Internal Audit will focus upon the Council's main objectives and risks which include climate change issues.

11 Implications for consideration – Equality and diversity

11.1 None

12 Implications for consideration – Risk management

12.1 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.

Decision information

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| Key decision number | <i>All key decisions must be in the Forward Plan at least 28 days in advance. There are constitutional consequences if an item is not in the Forward Plan when it should have been. Contact Democratic Services if in doubt.</i> |
| Wards affected | |

Document information

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| Report author | |
| Jenny Williams Head of the Internal Audit Consortium | |
| Background documents | |
| These are unpublished works which have been relied on to a material extent when the report was prepared. | |
| None | |
| Appendices to the report | |
| Appendix 1 | Internal Audit Charter |
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