

Internal Audit Charter 2023 - 24

Audit & Scrutiny Committee – Tuesday 4 April 2023

Report of: Neil Pitman – Head of Southern Internal Audit Partnership
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Purpose: Decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the Internal Audit Charter 2023-24 in accordance with the requirements of the Public Sector Internal Audit Standards.

This report supports the Council's priority of: Building a better Council

Contact officer Mark Hak-Sanders Chief Finance Officer and Section 151 Officer
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Recommendation to Committee:

That the Committee approves the Internal Audit Charter 2023/24

Reason for recommendation:

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to produce an Internal Audit Charter for approval by Senior Management and the Audit & Scrutiny Committee.

Introduction and background

1. The Accounts and Audit (England) Regulations 2015 state:

'a relevant body 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. The Public Sector Internal Audit Standards (attribute standard 1000) requires that all internal audit activities maintain an 'internal audit charter'.
3. The charter is a formal document that defines the internal audit activity's purpose, authority and responsibility consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards.
4. The internal audit charter establishes internal audits position within the organisation including:
 - Recognising the mandatory nature of the Public Sector Internal Audit Standards
 - Defining the scope of internal audit responsibilities.
 - Establishing the responsibilities and objectives of internal audit.
 - Establishing the organisational independence of internal audit.
 - Establishing accountability and reporting lines (functional and administrative).
 - Setting out the responsibilities of the board and the role of statutory officers with regard to internal audit.
 - Arrangements that exist with regard anti-fraud and anti-corruption.
 - Establishing internal audit rights of access.
 - Defining the terms 'board' and 'senior management' for the purpose of internal audit; and
 - Arrangements in place for avoiding conflicts of interest.
5. In accordance with the Standards the internal audit charter should be reviewed annually (minimum) and approved by senior management and the Audit & Scrutiny Committee
6. Appendix A provides a copy of the Internal Audit Charter 2023/24 for review and comment.

Key implications

Comments of the Chief Finance Officer

The Internal Audit Charter provides clarity over the role and expectations of internal audit with particular regard to their independence and reporting lines within the Council. There are no direct financial implications of this report.

Comments of the Head of Legal Services

The Accounts and Audit Regulations 2015 came into effect on 1 April 2015 and require councils 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.

The Internal Audit Charter is intended to provide an overview of internal audits purpose, authority and responsibility. An effective internal audit protects the Council and its Officers and provides an assurance to stakeholders and residents regarding the security of the Council's operations.

Equality

In consideration of impacts under the Public-Sector Equality Duty the proposal within this report do not have the potential to disadvantage or discriminate against different groups on the community.

Climate change

There are no environmental / sustainability implications associated with this report.

Appendices

Appendix 'A' - Internal Audit Charter 2023/24

Background papers

None

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