

<b>SUBJECT:</b>	<b>INTERNAL AUDIT CHARTER</b>
<b>REPORT BY:</b>	<b>JOHN SCOTT, AUDIT MANAGER</b>
<b>LEAD OFFICER:</b>	<b>JOHN SCOTT, AUDIT MANAGER</b>

## 1. Purpose of Report

1.1 To review and approve an updated Internal Audit Charter

## 2. Executive Summary.

2.1 The Audit Charter formally defines Internal Audit's purpose, authority and responsibility. It establishes Internal Audit's position within the Council and defines the scope of Internal Audit activities. It is linked to Internal Audit's roles and responsibilities set out in the Constitution (Financial Procedure Rules) but provides more detail around compliance with the Accounts and Audit Regulations and the Public Sector Internal Audit Standards.

## 3. Details

3.1 The current Charter was approved by the Audit Committee and Council in 2016. This update reflects updated CIPFA guidance released in 2019 and provides an opportunity to provide a more focused charter.

## 4. Key Changes

4.1 In the main the Charter has been slimmed to down provide a more succinct document –whilst there are slight changes essentially the document remains very much aligned to the original.

4.2 Changes to note are:

- a) The Charter now refers to the CIPFA application note for local government. The Chartered Institute of Public Finance (CIPFA) have developed an application note for the Standards – which sets out the proper practice for Internal Audit in local government.
- b) A specific requirement to review the audit strategy annually.
- c) Specific mention of periodic updates on the audit plan to the Audit Committee.
- d) A section on the audit procedures (establishing and maintaining appropriate internal auditing procedures incorporating best practice approaches and techniques).

## 4. Organisational Impacts

4.1 Finance

There are no direct financial implications arising as a result of this report.

#### 4.2 Legal Implications including Procurement Rules

The Accounts and Audit Regulations 2015, more specifically require that internal audit takes into account the Public Sector Internal Audit Standards (The Standards) which are mandatory. The Charter sets out the roles and responsibility of Internal Audit in line with these standards and the Chartered Institute of Public Finance (CIPFA) have also developed an application note for the Standards – which sets out the proper practice for Internal Audit in local government. The Charter supplements the Constitution (Financial Procedure Rules) in the area of Internal Audit.

#### 4.3 Equality, Diversity & Human Rights

There are no direct E and D implications arising as a result of this report.

### 5. Recommendation

- 5.1 Audit Committee should comment on and approve the revised Audit Charter and recommend to Council for approval.

<b>Key Decision</b>	No
<b>Do the Exempt Information Categories Apply?</b>	No
<b>Call in and Urgency:</b> Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
<b>How many appendices does the report contain?</b>	One
<b>List of Background Papers:</b>	None
<b>Lead Officer:</b>	Audit Manager Telephone 873321