

Audit Committee

09 July 2024



Title	Internal Audit Charter 2024-25
Purpose of the report	To approve
Report Author	Neil Pitman, Head of Southern Internal Audit Partnership
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Committee is asked to approve the Internal Audit Charter 2024-25
Reason for Recommendation	In accordance with the Public Sector Internal Audit Standards (PSIAS), the Audit Committee are required to annually approve the Internal Audit Charter.

1. Summary of the report

What is the situation	Why we want to do something
The Public Sector Internal Audit Standards (PSIAS) requires that all internal audit activities maintain an 'internal audit charter.' This defines the purpose, authority, and responsibility for the internal audit service consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards.	<ul style="list-style-type: none"> Regular review and communication of the internal audit charter helps to maintain awareness across senior management and the Audit Committee. The charter reinforces how the core principles that articulate internal audit effectiveness (for example independence and objectivity) are applied at the Council.
This is what we want to do about it	These are the next steps
To present the Internal Audit Charter 2024/25 to the Corporate	The Audit Committee are requested to approve the Internal Audit Charter

<p>Management team and the Audit Committee for approval in accordance with requirements of the PSIAS.</p>	<p>2024/25 in line with PSIAS, to support the provision of independent assurance to the authority and in defining the internal audit activity's purpose, authority, and responsibility.</p>
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1.1 This report seeks to present the Internal Audit Charter 2024-25 to the Audit Committee in accordance with the requirements of the Public Sector Internal Audit Standards.

2. Key issues

2.1 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.'

2.2 The Public Sector Internal Audit Standards (attribute standard 1000) requires that all internal audit activities maintain an 'internal audit charter'.

2.3 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.

2.4 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.

2.5 In accordance with the Standards the internal audit charter should be reviewed annually (minimum) and approved by senior management and the Audit Committee.

2.6 Appendix A provides a draft copy of the internal audit charter 2024-25 for review and comment.

3. Options analysis and proposal

- 3.1 The Audit Committee are requested to approve the Internal Audit Charter 2024/25 in line with PSIAS, to support the provision of independent assurance to the authority and in defining the internal audit activity's purpose, authority, and responsibility.

4. Financial management comments

- 4.1 None

5. Risk management comments

- 5.1 In not maintaining an approved Internal Audit Charter the organisation is not compliant with the legislative requirements of the Accounts and Audit (England) Regulations 2015.

6. Procurement comments

- 6.1 None

7. Legal comments

- 7.1 The Public Sector Internal Audit Standards (PSIAS) are mandatory further to the Accounts and Audit (England) Regulations 2015. The PSIAS require public bodies to have an Audit Charter and for this to be reviewed annually, communicated and approved by the Audit Committee.

8. Other considerations

- 8.1 None

9. Equality and Diversity

- 9.1 The Internal Audit Charter underpins the internal audit planning process. Equality and diversity are key considerations and feature in the assessment of risk and audit needs.

10. Sustainability/Climate Change Implications

- 10.1 The Internal Audit Charter underpins the internal audit planning process. Sustainability is a key consideration and features in the assessment of risk and audit needs.

11. Timetable for implementation

- 11.1 Applicable for the period 1 April 2024 – 31 March 2025

12. Contact

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Background papers: Public Sector Internal Audit Standards (2017)

Appendices:

Appendix A – Internal Audit Charter 2024-25