

<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh, Head of Audit and Risk
<b>Meeting</b>	21 January 2021

**INTERNAL AUDIT CHARTER 2021/2022**

**1.0 Purpose of the report:**

1.1 To present the 2021/2022 Internal Audit Charter for approval.

**2.0 Recommendation(s):**

2.1 To approve the Internal Audit Charter 2021/2022.

**3.0 Reasons for recommendation(s):**

3.1 To ensure that the Internal Audit Service continues to adhere to the Public Sector Internal Audit Standards.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council’s approved budget? Yes

**4.0 Other alternative options to be considered:**

4.1 None

**5.0 Council priority:**

5.1 The work of the internal audit team contributes to the achievement of all of the Council’s priorities.

**6.0 Background information**

6.1 The Internal Audit Charter defines internal audit’s mission, purpose, authority and responsibility. It establishes internal audit’s position within the Council and defines the scope of internal audit activities and reporting lines. The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA) set the internal audit standards in respect of local government across the UK and adopted a common set of Public Sector Internal Audit Standards (PSIAS) in April 2013. The Charter follows the model document provided by the CIIA.

6.2 Does the information submitted include any exempt information? No

## **7.0 List of Appendices:**

7.1 Appendix 7(a) – Internal Audit Charter 2021/2022

## **8.0 Financial considerations:**

8.1 Effective internal controls and an effective internal audit service can have a positive impact on the Council's financial position through identification of areas where controls can be strengthened, losses prevented and value for money improved.

## **9.0 Legal considerations:**

9.1 All local authorities are subject to the Accounts and Audit (England) Regulations (2015) which requires them to make provision for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS) as well as the CIPFA Local Government Application Note.

## **10.0 Risk management considerations:**

10.1 The work of internal audit forms a key element of the Council's overall system of internal control. An effective internal audit service also helps to promote and implement best practice and process improvements in the management of risks.

## **11.0 Equalities considerations:**

11.1 The work required to deliver the internal audit plan is identified through a regular risk assessment process. This is carried out using an established methodology that is designed to show that all potential audit areas are considered fairly.

## **12.0 Sustainability, climate change and environmental considerations:**

12.1 Internal audit will consider risks in relation to sustainability, climate change and the environment as part of its annual planning process.

## **13.0 Internal/external consultation undertaken:**

13.1 All members of internal audit contributed to the development of the Charter prior to it being taken to the Corporate Leadership for consideration on 16 December 2020.

## **14.0 Background papers:**

14.1 Public Sector Internal Audit Standards.