

# **AUDIT & RESOURCES COMMITTEE**

**Tuesday 7 March 2023**

## **INTERNAL AUDIT CHARTER 2023/24**

### **Report of the Chief Internal Auditor**

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#### **Recommendation**

**It is recommended that the Internal Audit Charter 2023/24 be approved.**

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#### **Summary**

- With effect from 1 April 2013 all public sector bodies were required to adopt the Public Sector Internal Audit Standards (the Standards). The Standards were revised April 2017.
- The Internal Audit Charter defines the Internal Audit's, purpose, authority and responsibility in line with the Standards.
- This report presents the Internal Audit Charter for 2023/24.

Statutory Powers

S.151 Local Government Act 1972

Accounts & Audit Regulations 2015

#### **Strategic Implications**

1. The Internal Audit Team provides independent assurance that the Council's risk management, governance and control processes are efficient, compliant, work effectively and support ambitions of the Council. Internal Audit helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

#### **Introduction**

2. With effect from 1 April 2013 all public sector bodies were required to adopt the Public Sector Internal Audit Standards (the Standards). These standards, which are based on the mandatory elements of the Institute of Internal

Auditors (IIA) International Professional Practices Framework (IPPF), are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.

3. The Standards were revised from 1 April 2017 to incorporate new and revised international standards and consequent amendments to the additional public sector requirements and interpretations.
4. Within the Standards there is a requirement for an Internal Audit Charter to be approved annually by the Audit and Resources Committee. This Committee approved the Internal Audit Charter 2022/23 on 8 March 2022.

### **Internal Audit Charter 2023/24**

5. Appendix 1 provides the Audit and Resources Committee with the Internal Audit Charter for 2023/24.
6. The purpose, authority and responsibility of the internal audit activity must be formally defined in an Internal Audit Charter, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards.
7. The Internal Audit Charter establishes Internal Audit's position within the organisation, including the nature of the Chief Internal Auditor's functional reporting relationship with the Audit and Resources Committee, authorises access to records, personnel and physical properties relevant to the performance of engagements, and defines the scope of internal audit activities. Final approval of the Internal Audit Charter resides with the Audit and Resources Committee.
8. During 2022/23 the Charter was reviewed as part of the external assessment and no compliance issues were identified.

### **Financial Implications**

9. As outlined in this report, the Internal Audit Charter will define Internal Audit's purpose, authority and responsibility and therefore will ensure that the work of the team is clear and controlled by a robust set of principles. There will be no change to the budget as a result of this report.

### **Risk Assessment**

10. The Internal Audit Charter is a requirement of the Public Sector Internal Audit Standards (the Standards). By not having an Internal Audit Charter the Internal Audit Section will fail to meet the requirements of the Standards.

### **Equality and Diversity Implications**

11. The Equality Act is not relevant to the decision in this report because it is a report dealing with internal or procedural matters only. Therefore, it is considered that the Equality Duty does not need to be addressed and an Equality Impact Assessment has not been carried out.

## **Climate Change and Environmental Implications**

12. There are no Climate Change and Environmental implications as a result of this report. It is a report dealing with Internal Audit procedural matters only.

## **Conclusion**

13. In accordance with the Public Sector Internal Audit Standards an Internal Audit Charter 2023/24 has been drafted and it is recommended that it is approved by this Committee.

	LISA SMY
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Appendices Attached:	One
*Report No	Internal Audit Charter 2023/24

## **LOCAL GOVERNMENT ACT 1972 - SECTION 100D**

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

\* The Public Sector Internal Audit Standards 2017