

REPORT TITLE: INTERNAL AUDIT CHARTER 2023-24

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WARD(S): ALL

PURPOSE

The purpose of this report is to provide the Audit and Governance Committee with the Internal Audit Charter for 2023-24.

The Internal Audit Charter formally defines the internal audit activity's purpose, authority and responsibility in line with the Public Service Internal Audit Standards [the standards].

RECOMMENDATIONS:

1. The Audit and Governance Committee approve the Internal Audit Charter 2023-24, attached as Appendix A.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 Internal audit plays a vital role in supporting the Council accomplish plan outcomes by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.2 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.
- 1.3 The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the Council Plan Outcomes.

### 2 FINANCIAL IMPLICATIONS

- 2.1 The Internal Audit Plan for 2023-24 comprises a total of 310 resource days and the anticipated cost for the financial year, excluding any inflationary adjustment for nationally agreed pay awards (if applicable), is £100,750.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None directly from this report.

### 4 WORKFORCE IMPLICATIONS

- 4.1 None directly from this report.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None directly from this report.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 The Executive Leadership Board and Corporate Head of Resources have been consulted on the Internal Audit Charter for 2023-24.

### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None directly from this report.

### 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 Not required.

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 Not required.

## 10 RISK MANAGEMENT

10.1 The Southern Internal Audit Partnership follow a risk-based audit approach in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Financial / VfM</i>	Internal Audit supports the Council to ensure proper financial management through its audit activities and assurance service.	Enhancement of the Council's reputation through the strengthening of the effectiveness of risk management, control and governance processes.

## 11 SUPPORTING INFORMATION:

11.1 The Accounts and Audit (England) Regulations 2015 – S5 state:

‘(1) 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.’

11.2 The Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note together comprise ‘internal auditing standards and guidance’ as referenced in the Regulations.

11.3 Within PSIAS there is a requirement for an ‘Internal Audit Charter’, a formal document that defines the purpose, authority and responsibility of the internal audit activity. The proposed charter for 2023-24 is attached as Appendix A.

11.4 The Internal Audit Charter must be reviewed periodically (as a minimum annually) by the Chief Internal Auditor and presented to ‘Senior Management’ and ‘the Board’. The Board is defined as:

‘the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. At the Council this shall mean the Audit and Governance Committee’.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG075 Internal Audit Charter 2022-23

Other Background Documents:-

AG101 Internal Audit Plan 2023-24 - 2025-26

APPENDICES:

Appendix A – Internal Audit Charter 2023-24