

Local Members Interest
N/A

Audit and Standards Committee - Tuesday 21 March 2023

Internal Audit Charter 2023

Recommendation(s)

I recommend that:

- a. Members approve the Internal Audit Charter 2023.

Report of the Director of Finance & Section 151 Officer

Report

Background

1. The Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN) Standard 1000 require that the purpose, authority and responsibility of the internal audit activity must be defined formally in an Audit Charter. The Internal Audit Charter is a formal document setting out:
 - a. internal audit's position within the organisation
 - b. its reporting lines
 - c. access to personnel, information and records
 - d. the scope of internal audit activities
 - e. what the term Board means (e.g. the Audit and Standards Committee).
2. The need for an Audit Charter was a new requirement of PSIAS and the Audit & Standards Committee approved the detailed document at its meeting in June 2014. Since this date, any revisions to the document have been presented to this Committee for approval. In 2023, there are only a few minor changes to be made to the Audit Charter which are highlighted in yellow within the attached document for ease of reference (**Appendix 1**). These changes relate to:
 - a. the need to reflect the current SLT restructure with reference made to the Director of Finance Role (replacing the County Treasurer role); and
 - b. the need to amend Financial Regulations extract at Appendix 1 to reflect the latest amended version (dated January 2023).

No other changes are required to be made in 2023.

3. The Audit Charter 2023 continues to cover all requirements of the latest Public Sector Internal Audit Standards (last issued 2017); the latest Local Government Application Note (last issued March 2019) and the latest CIPFA statement regarding the Role of the Head of Internal Audit in Public Service Organisations (2019 Edition) and the document also reflects current best practice.

Equalities Implications

4. There are no direct implications arising from this report.

Legal Implications

5. Whilst there are no direct legal implications arising from this report, the Accounts and Audit (England) Regulations 2015 require specifically that 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'.

Resource and Value for Money Implications

6. The net budget of the Internal Audit Section in 2023/24 is **£1,027,510**.

Risk Implications

7. Internal Audit examines objectively, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

Climate Change Implications

8. There are no direct implications arising from this report

List of Background Documents/Appendices

Public Sector Internal Audit Standards – revised with effect from 1st April 2017.

Local Government Application Note – with effect from 1st March 2019

Accounts and Audit (England) Regulations 2015.

CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations (2019 Edition).

Appendix 1 – Internal Audit Charter 2023

Contact Details

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