

Regulation Audit & Accounts Committee

8 March 2021

Internal Audit Charter 2021/22

Report by Director of Finance & Support Services /Head of Southern Internal Audit Partnership

Summary

The purpose of this paper is to present the Internal Audit Charter 2021-22 to the Regulation, Audit & Accounts Committee in accordance with the requirements of the Public Sector Internal Audit Standards.

Recommendation

(1) That the Committee approve the Internal Audit Charter 2021/22 as attached

Proposal

1 Background and context

1.1 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'

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

1.3 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.

1.4 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.

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

1.6 Appendix A provides a draft copy of the internal audit charter 2021-22 for review and comment.

2 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Non-compliance with the statutory requirements of the Accounts & Audit [England] Regulations 2015 and conformance to the Public Sector Internal Audit Standards 2017.	Annual self-assessment and periodic external assessment of compliance against the Standards. Last external assessment completed in September 2020 reporting the service s fully compliant with all aspects of the Standards.

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Appendices

Appendix A – Internal Audit Charter 2021/22

Background papers

None