

Report to Regulation Audit & Accounts Committee

20 March 2023

Internal Audit Charter 2023-24

Report by Director of Finance and Support Services and the Head of Southern Internal Audit Partnership

Summary

The purpose of this paper is to present the Internal Audit Charter 2023-24 to the Regulation, Audit & Accounts Committee in accordance with the requirements of the Public Sector Internal Audit Standards.

Recommendations

- (1) That the Committee approve the Internal Audit Charter 2023-24 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 2023-24 for review and comment.

2 Risk implications and mitigations

| Risk | Mitigating Action (in place or planned) |
|--|---|
| Services not addressing key management actions arising from the audit findings | Follow up will be undertaken to ensure that agreed actions have been implemented. A report detailing the status of high priority management actions will be presented to each meeting of this Committee for monitoring to ensure that key risks are addressed on a timely basis |

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Appendices

Appendix A – Internal Audit Charter 2023-24

Background papers

None