

1 October 2020

Internal Audit Charter



**Report of Stephen Carter, Interim Chief Internal Auditor and
Corporate Fraud Manager**

Electoral division(s) affected:

Countywide

Purpose of the Report

1. This report seeks agreement to the revised Internal Audit Charter, to take immediate effect and to be applied to reviews undertaken as part of the Internal Audit plan for 2020/21.

Executive summary

2. The Internal Audit Charter defines the Internal Audit Service's purpose, authority and responsibility. It establishes Internal Audit's position within the organisation, including the nature of the Chief Internal Auditor and Corporate Fraud Manager's functional reporting relationship with the Joint Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
3. The Charter reflecting the changes made to the PSIAS in 2017 was previously considered by the Joint Committee at its meeting of 27 September 2019. The Charter is subject to annual review by the Chief Internal Auditor and Corporate Fraud Manager. On this occasion, with no new revisions made to the PSIAS and in only needing to reflect name changes further to the appointment of the Interim Chief Internal Auditor and Corporate Fraud Manager and the Corporate Director of Neighbourhoods and Climate Change, it is considered that no further amendments to the Charter are required.

Recommendation

4. It is recommended that in considering the content of the report, the Joint Committee approve the Internal Audit Charter attached at Appendix 2.

Background

5. The Public Sector Internal Audit Standards (PSIAS), that came into effect from April 2013, and which were subsequently revised from 01 April 2017, define internal audit as:

‘an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.’

Other useful documents

Report to Durham County Council’s Audit Committee on 29 June 2020

Appendix 1: Implications

Legal Implications

Compliance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards.

Finance

The broad programme of work undertaken by Internal Audit supports the Joint Committee in maintaining safe and efficient arrangements for the proper administration of its financial affairs

Consultation

None. However, Officers of Spennymoor Town Council were provided with a copy of the report and given opportunity to comments / raise any detailed queries on the contents of this report in advance of circulation to members of the CDCJC.

Equality and Diversity / Public Sector Equality Duty

There are no implications

Climate Change

There are no implications

Human Rights

There are no implications

Crime and Disorder

There are no implications

Staffing

As identified in the report.

Accommodation

There are no implications

Risk

There are no direct risk implications arising for the Joint Committee as a result of this report, although we aim through our planning arrangements to review the adequacy and effectiveness of the risk management arrangements in place.

Procurement

There are no implications