

SOUTH STAFFORDSHIRE COUNCIL

AUDIT & RISK COMMITTEE – 27th JUNE 2024

REVIEW OF THE INTERNAL AUDIT CHARTER

REPORT OF THE CHIEF INTERNAL AUDITOR

PART A – SUMMARY REPORT

1. SUMMARY OF PROPOSALS

1.1 This report presents the Internal Audit Charter 2024 which sets out the purpose, authority and responsibility of internal audit activity.

2. SUMMARY IMPACT ASSESSMENT

POLICY/COMMUNITY IMPACT	Do these proposals contribute to specific Council Plan objectives?	
	Yes	<p>The work of the audit committee can aid the achievement of the Authority's goals and objectives through helping ensure appropriate governance, risk, control and assurance arrangements.</p> <p>The delivery of the Annual Internal Audit Plan and Counter Fraud Plan provides management with assurances that their service objectives which support the Council's priorities are being achieved.</p> <p>The work of Internal Audit covers those priorities contained with the Council's Delivery Plan.</p>
	Has an Equality Impact Assessment (EqIA) been completed?	
	No	<p>The work of the Audit & Risk Committee is not considered to have any adverse implications to equal opportunities and diversity policies.</p>
SCRUTINY POWERS APPLICABLE	No	
KEY DECISION	No	
TARGET COMPLETION/ DELIVERY DATE	27 th June 2024	
FINANCIAL IMPACT	No	<p>There are no direct financial implications. The current costs of the Internal Audit Service are contained within the Medium Term Financial Strategy.</p>

LEGAL ISSUES	Yes	<p>Section 151 of the Local Government Act 1972</p> <p>The Accounts & Audit Regulations 2015</p> <p>A sound system of internal audit, and monitoring of the same, assists in compliance with the above statutory duties.</p> <p>The results of Internal Audit's work feeds into the Council's Annual Governance Statement.</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>Internal audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Internal Audit will continue to align its work with the Strategic and Operational Risk Registers. The plan may be changed to respond to revised priorities of the Council within the year.</p>
IMPACT ON SPECIFIC WARDS	No	No impact

PART B – ADDITIONAL INFORMATION

- 3.1 This report presents the Internal Audit Charter 2024 to the Audit & Risk Committee and is attached as **Appendix 1**.
- 3.2 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 formally defined in an Audit Charter. The Internal Audit Charter is a formal document setting out:
- internal audit's position within the organisation;
 - its reporting lines;
 - access to personnel, information and records;
 - the scope of internal audit activities; and
 - what the term Board means (i.e. the Audit Committee).
- 3.3 The Internal Audit Charter was approved by the Audit & Risk Committee in April 2015. Since this date, any revisions to the document have been presented to this Committee for approval.

- 3.4 In 2023, there has been a change in accountability for the Internal Audit Service within the Council's Constitution, transferring overall delegated responsibility for the Internal Audit function to the Corporate Director of Governance. Responsibility was previously held by the role of Corporate Director of Finance & Resources, a role which no longer exists (replaced by the Director of Finance role) following approval at the full Council meeting held on the 27th June 2023. As such, Section 8 of the 2024 Charter has been amended to reflect the change in responsibilities.
- 3.5 The Internal Audit Charter 2024 continues to cover all the requirements of the latest PSIAS (last issued in March 2017)/LGAN (last issued in March 2019) and the CIPFA statement regarding the Role of the Head of Internal Audit in Local Government 2019, the document also reflects current best practice. This was confirmed as part of the External Quality Assessment of the Internal Audit Service undertaken in January 2023.
- 3.8 The Internal Audit Charter 2024 is attached as **Appendix 1** to this report.

4. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 4.1 None identified.

5. PREVIOUS MINUTES

- 5.1 Not applicable.

6. BACKGROUND PAPERS

- 6.1 Not applicable.

7. APPENDICES

Appendix 1 – Internal Audit Charter 2024.

<h4>8. RECOMMENDATIONS</h4>
<p>8.1 To consider and approve the Internal Audit Charter for 2024.</p>

Report prepared by: Susan Bluck, Internal Audit Manager