



## **AUDIT COMMITTEE**

Date Written	1 <sup>st</sup> April 2021
Report Author	M Thomas
Exempt/Non Exempt	Non Exempt
Committee Date	19 <sup>th</sup> April 2021

*To: Chair, Ladies and Gentlemen*

### **Regional Internal Audit Service Charter 2021/22**

#### **1.0 SUMMARY OF THE REPORT**

1.1 To present to Members the Regional Internal Audit Service Charter for 2021/22.

#### **2.0 RECOMMENDATIONS that**

2.1 That Members consider and approve the Regional Internal Audit Service Charter for 2021/22.

#### **3.0 INTRODUCTION AND BACKGROUND**

3.1 The Internal Audit Charter is a formal document that defines the purpose, authority and responsibility of Internal Audit activities. The Internal Audit Charter establishes Internal Audit's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit activities.

3.2 The purpose of this Regional Internal Audit Shared Service (RIASS) Charter is to define the purpose, authority and responsibilities of the Regional Internal Audit Shared Service across Bridgend, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan Councils.

3.3 The Charter establishes the position of internal audit activity within each Council along with reporting lines, authorising access to records, personnel and physical property relevant to the performance of audit work and defines the scope of internal audit activities.

- 3.4 The Head of Internal Audit is responsible for reviewing the charter and presenting it to each Council's Audit Committee annually for review and approval in line with the Public Sector Internal Audit Standards (PSIAS).
- 3.5 The PSIAS are applicable to all areas of the United Kingdom public sector and are based on the Chartered Institute of Internal Auditor's (CIIA's) International Professional Practices Framework.
- 3.6 The Regional Internal Audit Shared Service is committed to meeting the standards laid down in the Public Sector Internal Audit Standards Framework and any significant deviations from the Standards will be reported to the Audit Committee.
- 3.7 The Charter is split into the following sections:
1. Purpose, Authority and Responsibility;
  2. Independence and objectivity;
  3. Proficiency and due professional care;
  4. Quality assurance and improvement program;

The Charter also has two annexes containing a Glossary of Terms and the Code of Ethics.

- 3.8 The roles of the Audit Committee in relation to internal audit are to:
- Oversee its independence, objectivity, performance and professionalism;
  - Support the effectiveness of the internal audit process and;
  - Promote the effective use of internal audit within the assurance framework
- 3.9 One of the key roles which demonstrate the Audit Committee's oversight is the approval of the Internal Audit Charter.

## **4.0 FINDINGS**

- 4.1 The PSIAS requires the Head of Internal Audit to review the charter periodically but final approval resides with the Audit Committee.
- 4.2 The Regional Internal Audit Shared Service Charter for 2021/22 is attached at Appendix A. The Charter was fully reviewed and amended for 2020/21 to have a consistent Charter for the four Councils which is consistent with the objectives of the Regional Shared Service, that is, to eliminate duplication and apply best practice.
- 4.3 It has been reviewed again for 2021/22 to ensure it continues to reflect the requirements of the PSIAS and is applicable to all four Councils involved in the Shared Service. The only changes made relate to the change of title of the Audit Committee to the Governance and Audit Committee during 2021 as a result of the Local Government & Elections(Wales) Act.

## 5.0 FINANCIAL IMPLICATION(S)

- 5.1 An effective Internal Audit Service is a key contributor in ensuring that the Council's assets and interests are properly accounted for and safeguarded. There are no direct financial implications as a result of this report

**MARK THOMAS**  
**HEAD OF REGIONAL INTERNAL AUDIT**  
**SERVICE**

**COUNCILLOR ANDREW BARRY**  
**CABINET MEMBER FOR GOVERNANCE**  
**AND CORPORATE SERVICES**

<b>BACKGROUND PAPERS</b>		
<b>Title of Document(s)</b>	<b>Document(s) Date</b>	<b>Document Location</b>
Public Sector Internal Audit Standards	April 2017	Internal Audit Office
<b>Does the report contain any issue that may impact the Council's Constitution?</b>		<b>No</b>