



**OPEN REPORT
NAME OF DECISION MAKING BODY**

Governance and Resources Committee 22nd November 2022

Review of Internal Audit Charter

Report of the Director of Resources

Report Author and Contact Details

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Wards Affected

District Wide

Report Summary

To report to Members for information and approval the results of a review of the Internal Audit Charter.

Recommendations

1. That Members note the outcome of the review of the Internal Audit Charter.
2. That, subject to any comments Members may wish to make, the Internal Audit Charter be agreed.
3. That the agreed Internal Audit Charter be reviewed in three years' time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards.

List of Appendices

Appendix 1 Internal Audit Charter

Background Papers

None

Consideration of report by Council or other committee

N/A

Council Approval Required

No

Exempt from Press or Public

No

Review of the Internal Audit Charter

1. Background

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that the purpose, authority and responsibility of internal audit must be formally defined in an Internal Audit Charter.
- 1.2 The PSIAS also state that the Head of Internal Audit must periodically review the Internal Audit Charter and present it to the relevant Committee for approval.

2. Key Issues

- 2.1 The Internal Audit Charter was last formally approved by this Committee in September 2021. It was agreed at that meeting that the Charter would be reviewed every year to ensure that it is kept up to date.
- 2.2 There have been no updates to the PSIAS since the last review of the charter.
- 2.3 The current Internal Audit Charter has been reviewed and it is felt that it is still fit for purpose. The only update made is to reflect a change in job title from Internal Audit Consortium Manager to Head of the Internal Audit Consortium.
- 2.4 The revised Internal Audit Charter is attached as Appendix 1.
- 2.5 The PSIAS state that the Head of Internal Audit must periodically review the Internal Audit Charter and present it to the relevant Committee for approval. CIPFA recommended best practice is that the Charter should be reviewed annually. However, in recent years there have been very few changes arising from the annual review and it is the view of the Director of Resources that this frequency is not justified and does not make the best use of officer and committee time. It is therefore recommended that the agreed Internal Audit Charter be reviewed in three years' time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards.

3. Options Considered and Recommended Proposal

- 3.1 N/A

4. Consultation

- 4.1 N/A

5. Timetable for Implementation

- 5.1 N/A

6. Policy Implications

6.1 N/A

7. Financial and Resource Implications

7.1 There are no financial considerations arising from the report.

8. Legal Advice and Implications

8.1 There are no legal considerations arising from this report.

9. Equalities Implications

9.1 There are no equalities implications.

10. Climate Change Implications

10.1 There are no climate change implications

11. Risk Management

11.1 There is a risk that there may be criticism at the next external review that the frequency of the review of the Internal Audit Charter has been reduced from annual to every three years. This is mitigated by the proposal to carry out a review sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards. This risk has been assessed as low.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	08/11/2022
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	01/11/2022
Monitoring Officer (or Legal Services Manager)		