

Internal Audit Charter

Final Decision-Maker	Audit, Governance & Standards Committee
Lead Head of Service	Rich Clarke, Head of Audit Partnership
Lead Officer and Report Author	Rich Clarke, Head of Audit Partnership
Classification	Public
Wards affected	All

Executive Summary

This report provides the biennial opportunity for the Committee to review and approve the Internal Audit Charter. The Charter sets out the roles and responsibilities of the Council's internal audit service and its relationships with officers and Members. As there have been no significant updates in Standards or requirements since 2019, and mindful of the fully-conforming External Quality Assessment from CIPFA in 2020, the Charter has no material changes.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

1. That the Internal Audit Charter be approved.

Timetable

Meeting	Date
Audit, Governance & Standards Committee	28 September 2021

Internal Audit Charter

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendation will by itself materially affect achievement of corporate priorities but will support overall good governance of the Council.	Rich Clarke, Head of Audit Partnership 19 September 2021
Cross Cutting Objectives	The recommendation is not directly relevant to objectives but will support overall governance.	
Risk Management	See appendix.	
Financial	The proposals set out in the recommendation are all within already approved budgets.	
Staffing	We will deliver the recommendation with current staffing.	
Legal	Accepting the recommendation will help fulfil the Council's duties under the Accounts & Audit Regulations 2015 to retain an internal audit service working to Standards.	
Privacy and Data Protection	Accepting the recommendation will increase the volume of data held, but we will manage that data in line with Council policies.	
Equalities	The recommendation does not propose a change in service therefore will not require an equalities impact assessment.	
Public Health	The recommendation will not negatively impact population or individual health.	
Crime and Disorder	The recommendation will not in itself have any impact on crime and disorder.	
Procurement	The recommendation requires no new procurement to implement.	
Biodiversity and Climate Change	The recommendation will not in itself have any impact on biodiversity and climate change.	

2. INTRODUCTION AND BACKGROUND

- 2.1 Public Sector Internal Audit Standards (the "Standards") prescribe a Charter setting out the purpose, authority and responsibility of the Council's internal audit provision. The Charter also affirms and accepts Standards governing internal audit practice.
 - 2.2 The Committee last reviewed and approved the Charter in 2019. The Committee must review and update the Charter periodically to affirm its continued currency and applicability. The Charter attached is materially unchanged from its 2019 version, reflecting the Head of Audit Partnership's view that it continues to represent good practice and an accurate description of the internal audit service as it exists at Maidstone Borough Council. We also note that CIPFA's External Quality Assessment in 2020 found the Charter (and the service as a whole) in full conformance with the Standards and made no recommendations for its amendment.
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3. AVAILABLE OPTIONS

- 3.1 Having an internal audit charter is a duty set by the Standards. Approving this update would affirm the Committee's continued support for the independence, objectivity and quality of the internal audit service.
 - 3.2 If the Committee does not approve this Charter that would begin a period of discussion on any concerns expressed with a view to addressing those concerns in a refreshed Charter to come before the Committee at a later date. Until that point, the 2019 version of the Charter would remain in place.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 We recommend the Committee approve the attached Charter. We believe it continues to reflect best practice and fully and accurately sets out the purpose, authority and responsibilities of internal audit at the Council.
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5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act, have been considered in line with the Council's Risk Management Framework. We are satisfied that risks are within the Council's appetite and will be managed as per the Framework.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The Charter reflects ongoing discussion at Committee meetings and reflects a view that the service currently works as the Committee would wish.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The Charter will become effective once approved.

8. REPORT APPENDICES

- Appendix 1: Internal Audit Charter (September 2021)
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9. BACKGROUND PAPERS

The Charter draws on various sources of external professional guidance and Standards hyperlinked within the appendix.