

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

22nd September 2021

Review of Internal Audit Charter

Report of the Internal Audit Consortium Manager

Classification: This report is public

Report By: Internal Audit Consortium Manager

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PURPOSE

To report to Members for information and approval the results of a review of the Internal Audit Charter. The Public Sector Internal Audit Standards (PSIAS) state that the Head of Internal Audit must periodically review the Internal Audit Charter and present it to the relevant Committee for approval.

RECOMMENDATION

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, that the Internal Audit Charter be agreed.
3. That the agreed Internal Audit Charter be reviewed in a years' time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards

Approved by the Portfolio Holder – Councillor Paul Parkin

IMPLICATIONS

Finance and Risk: Yes No

Details:

The re-adoption of the Internal Audit Charter will help to ensure that the Internal Audit Consortium continues to provide a quality service in line with the PSIAS reviewing risk management, governance and internal control processes.

On Behalf of the Section 151 Officer

Legal (including Data Protection):

Yes

No

Details:

On Behalf of the Solicitor to the Council

Staffing: Yes

No

Details:

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On behalf of the Head of Paid Service

DECISION INFORMATION

| Decision Information | |
|---|-------------------------------------|
| Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: BDC: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input checked="" type="checkbox"/> NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In) | No |
| District Wards Significantly Affected | None |
| Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/> | Yes Details: Ward Members |

Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.

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Clearly defining the purpose, authority and principal responsibilities of internal audit in line with the Public Sector Internal Audit Standards requirements contributes to ensuring that the council's resources and priorities are focused on achieving the Council Plan.

REPORT DETAILS

1 Review of the Internal Audit Charter

- 1.1 The Public Sector Internal Audit Standards (PSIAS) which took effect from the 1 April 2013 require that the purpose, authority and responsibility of internal audit must be formally defined in an Internal Audit Charter (Appendix 1).
- 1.2 The Internal Audit Charter was last formally approved by this Committee in September 2020. It was agreed that the Charter would be reviewed every year to ensure that it is kept up to date.
- 1.3 There have been no updates to the PSIAS since the last review of the charter.
- 1.4 The current Internal Audit Charter has been reviewed and it is felt that it is still fit for purpose. In places the previous Charter referred to "internal control" or the "control environment", these references have been replaced by the current best practice terminology which is "risk management, governance and internal control processes". The other change is in respect of BDC Audit Committee now being the Audit and Corporate Overview Scrutiny Committee.
- 1.5 The Internal Audit Charter is attached as Appendix 1.

3 Reasons for Recommendation

- 3.1 To comply with the Public Sector Internal Audit Standards and to clearly set out the purpose, authority and principal responsibilities of the Internal Audit Consortium.

4 Alternative Options and Reasons for Rejection

- 4.1 Not Applicable

DOCUMENT INFORMATION

| Appendix No | Title |
|--|------------------------|
| Appendix 1 | Internal Audit Charter |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| Click here to enter text. | |