



Audit and Standards Advisory Committee

7 December 2021

Report from the Director of Legal, HR, Audit and Investigations

Internal Audit Charter

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| Wards Affected: | All |
| Key or Non-Key Decision: | Non-Key |
| Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act) | Open |
| No. of Appendices: | One Appendix 1 – Internal Audit Charter |
| Background Papers: | None |
| Contact Officer(s): (Name, Title, Contact Details) | Darren Armstrong, Head of Audit and Investigations Darren.Armstrong@Brent.gov.uk ; 020 8937 1751 |

1.0 Purpose of the Report

- 1.1 This report sets out the revised Internal Audit Charter, which has been appended to the report for consideration and approval.
- 1.2 The Public Sector Internal Audit Standards (PSIAS) requires the purpose, authority and responsibility of the internal audit service to be formally defined in an Internal Audit Charter.
- 1.3 In accordance with best practice, the Council's Internal Audit Charter is reviewed and presented for approval every two years.

2.0 Recommendations

- 2.1 The Audit and Standards Advisory Committee consider and approve the revised Internal Audit Charter as set out in Appendix 1 of the report before adoption.

3.0 Revised Internal Audit Charter

- 3.1 An Internal Audit Charter is a key document that establishes the purpose and role of Internal Audit within the Council, and underpins the delivery of the annual audit plans. The Charter authorises Internal Audit to have full, free and unrestricted access to all functions, records, property and personnel pertinent to carrying out any audit engagement; and also defines the scope of Internal Audit activities
- 3.2 The Charter was last reviewed in 2019. As part of a planned periodic review, and in accordance with best practice, the Charter has been reviewed and modified to reflect updated standards and guidance. The Charter has also been aligned to the model template issued by the Institute of Internal Auditors (IIA).
- 3.3 The contents of the revised Charter, as seen at Appendix 1, remains largely consistent with the previous version. However the Charter has been re-structured to follow the 10 key headings as suggested by the IIA. Some key amendments have also been made:
- Separating and setting out the purpose and mission of the Internal Audit Service (section 3);
 - Further defining and referencing some of the mechanisms that are in place to maintain the independence and objectivity of the service (section 6);
 - Summarising the scope of internal audit activities and providing examples of how these may be carried out (section 7); and
 - Outlining Internal Audit's role and relationship with the Council's risk management and counter fraud arrangements (section 7).
- 3.4 Following approval, the Charter will be re-published and made available to all staff and auditees via the Council's Intranet pages.

4.0 Financial Implications

- 4.1 There are no financial implications.

5.0 Legal Implications

- 5.1 All Local Authorities are required to make proper provision for Internal Audit in line with the 1972 Local Government Act and Accounts and Audit Regulations 2011 (as amended).

6.0 Equality Implications

- 6.1 There are no equality implications.

7.0 Proposed Consultation with Ward Members and Stakeholders

- 7.1 No consultation proposed.

Report sign off:

Debra Norman

Director of Legal, HR, Audit and Investigations