

Audit and Governance Committee 12th July 2021

Report Title	Internal Audit Charter and Strategy	
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List of Appendices

Appendix A – Internal Audit Charter and Strategy

1. Purpose of Report

- 1.1. This report provides a copy of the Internal Audit Charter and Strategy for approval by the Audit and Governance Committee, in line with the committee's role and responsibility for overseeing delivery of the Internal Audit service.

2. Executive Summary

- 1.2. The Public Sector Internal Audit Standards (PSIAS), define the Internal Audit charter as 'a formal document that defines the internal audit activity's purpose, authority and responsibility. The Internal Audit charter establishes the Internal Audit activity's position within the organisation, including the nature of the chief audit executive's functional monitoring relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities'.
- 1.3. Under PSIAS, the Charter should be reviewed and approved by the Council's 'Board' on an annual basis. This duty is exercised by the Council's Audit and Governance Committee.

3. Recommendations

- 3.1 It is recommended that the Audit and Governance Committee:

a) Approve the Internal Audit Charter and Strategy.

- 3.2 *Reason for Recommendations*

- *To accord with the Public Sector Internal Audit Standards (PSIAS); and*
- *Approve Internal Audit team's rights to access relevant systems, records and documentation, as required, to enable unfettered access to perform an independent assurance role.*

4. Report Background

- 4.1.1 In compliance with the Public Sector Internal Audit Standards (PSIAS), Internal Audit is required to establish a Charter which sets out its role, purpose and authority. This provides clarity and legitimacy to the role of Internal Audit in the organisation, and assists the function is operating in line with an agreed framework. The wider strategy also defines how Internal Audit will strive to deliver the most effective and value adding service to the Council.
- 4.1.2 The document directs Internal Auditors in their daily work, but also assists officers and elected Members of the Council in understanding the role of Internal Audit, how it operates and its rights of access.
- 4.1.3 The Charter has been prepared in line with the PSIAS and incorporates all relevant requirements.
- 4.1.4 The Charter and Strategy document is provided at Appendix A.
- 4.1.5 This document is to be reviewed and presented to the Audit and Governance Committee on an annual basis.

5. Issues and Choices

- 5.1 The Committee's Terms of Reference require it to oversee delivery of the Internal Audit service. The annual review and approval of the Charter and Strategy document provides an opportunity to exercise this role. The Committee may approve the document as presented; or review and request amendments, as considered necessary.

6. Implications (including financial implications)

6.1 Resources and financial

- 6.1.1 There are no resources or financial implications arising from the proposals.

6.2 Legal

- 6.2.1 There are no legal implications arising from the proposals.

6.3 Risk

- 6.3.1 There are no significant risks arising from the proposed recommendations in this report.
- 6.3.2 In delivering its services, an effective Internal Audit service should help the organisation accomplish its objectives by bringing a systematic, disciplined

approach to evaluate and improve the effectiveness of risk management, control and governance processes.

6.4 Consultation

6.4.1 The Council's s151 Officer has been consulted on the content of the Charter and Strategy. No public consultation would be appropriate.

6.5 Consideration by Scrutiny

6.5.1 Not applicable

6.6 Climate Impact

6.6.1 There are no significant climate impacts arising from the proposed recommendations in this report.

6.7 Community Impact

6.7.1 There is no distinct community impact arising from the proposed recommendations in this report.

7. Background Papers

7.1 None