

23 February 2023		ITEM: 9
Standards & Audit Committee		
Internal Audit Charter 2023		
Wards and communities affected: All	Key Decision: Non-key	
Report of: Gary Clifford – Chief Internal Auditor		
Accountable Assistant Director: n/a		
Accountable Director: John Jones – Interim Director of Legal and Governance and Monitoring Officer		
This report is public		

Executive Summary

The Internal Audit Charter is a formal document that defines the Internal Audit Services' purpose, authority and responsibility. The Internal Audit Charter establishes the internal audit's position within the Council, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards & Audit Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the Internal Audit Charter lays with the Standards & Audit Committee.

Whilst the Charter is normally presented and signed off on a bi-annual basis, there are changes to the reporting arrangements which require the Charter to be updated.

1. Recommendation(s)

1.1 That the Standards & Audit Committee approve the internal Audit Charter 2023 (Appendix 1) and the Chair of the Standards & Audit Committee signs the Charter on behalf of the Committee.

2. Introduction and Background

2.1 The foundation of an effective internal audit service is compliance with standards and proper practices.

2.2 A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.

2.3 An effective internal audit service should:

- Understand the whole organisation, its needs and objectives;
- Understand its position with respect to the organisation's other sources of assurance and plan its work accordingly;
- Be seen as a catalyst for improvement at the heart of the organisation;
- Add value and assist the organisation in achieving its objectives; and
- Be forward looking – knowing where the organisation wishes to be and aware of the national agenda and its impact.

2.4 This Charter establishes the purpose, authority and responsibilities for the internal audit service for Thurrock Council.

3. Issues, Options and Analysis of Options

3.1 The Charter has been prepared in order to help to support the provision of an effective internal audit service and to meet the requirements of the Public Sector Internal Auditing Standards.

4. Reasons for Recommendation

4.1 To provide the Council with assurance that the internal audit service is working towards compliance with the requirements of the Public Sector Internal Auditing Standards.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The Internal Audit Charter has been agreed with the Interim Director of Finance (Section 151 Officer) as the responsible officer.

6. Impact on corporate policies, priorities, performance and community impact

6.1 There is no direct impact on the policies, priorities, performance or on the Community although an effective internal audit service may impact indirectly on all areas of the Council's business.

7. Implications

7.1 Financial

Implications verified by: **David May**
Strategic Lead Corporate Finance

There are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **Gina Clarke**
**Corporate Governance Lawyer and Deputy
Monitoring Officer**

The contents of this report and appendix form part of the council's responsibility to comply with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015, including to at least annually undertake an effective internal audit to, amongst other things, evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards and associated guidance. The council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no legal implications directly arising from this report.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

There are no direct diversity implications arising from this report.

7.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Impact on Looked After Children

There are no significant other implications arising from this report.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Public Sector Internal Audit Standards (PSIAS).
- CIPFA – PSIAS Local Government Application Note (February 2019)
- Internal Audit Charter 2021

9. Appendices to the report

- Appendix 1 – Internal Audit Charter 2023.

Report Author:

Gary Clifford

Chief Internal Auditor

Thurrock Council Internal Audit Service, Legal and Governance