

Report to	Corporate Governance & Audit Committee
Date of meeting	12 June 2024
Lead Member / Officer	Cllr Gwyneth Ellis / Bob Chowdhury – Chief Internal Auditor
Report author	Bob Chowdhury – Chief Internal Auditor
Title	Internal Audit Charter, Strategy & Quality Assurance Improvement Programme 2024-25

1. What is the report about?

- 1.1 This report provides the Committee with the Internal Audit Charter, Strategy and Quality Assurance Improvement Programme (QAIP) for 2024-25.
- 1.2 The Charter defines Internal Audit's purpose, authority, and responsibility in line with the Public Sector Internal Audit Standards.
- 1.3 The Strategy provides details of the proposed Internal Audit projects for the year that will allow the Chief Internal Auditor (CIA) to provide an 'opinion' on the adequacy and effectiveness of the Council's framework of governance, risk and control during the year.
- 1.4 The Public Sector Internal Audit Standards (PSIAS) requires that Internal Audit set out its quality assurance arrangements in the form of a QAIP

2. What is the reason for making this report?

- 2.1 Local Authorities subject to the Account and Audit (Wales) Regulations must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal controls. In accordance with the Public Sector Internal Audit Standards (PSIAS), safeguards will continue for a period of time to maintain Internal Auditors' independence and objectivity.

- 2.2 The Chief Internal Auditor will review the Charter each year and present it to the Governance and Audit Committee for final approval.
- 2.3 The Strategy contains a risk-based internal audit plan that takes into account the PSIAS requirement to deliver an annual internal audit opinion and report that the organisation can use to inform its governance statement. This Committee's terms of reference require it to consider internal audit's plans.
- 2.4 The QAIP is designed to provide reasonable assurance to the various stakeholders of the service that internal audit:
- Performs its work in accordance with the Charter;
 - Operates in an effective and efficient manner; and
 - Is seen as adding value and continually improving its operation.

3. What are the Recommendations?

- 3.1 The Committee approves the Internal Audit Charter (Appendix 1), the Internal Audit Strategy 2023-24 (Appendix 2) and the QAIP (Appendix 3).

4. Report details

- 4.1 The main changes to the Internal Audit Charter in Appendix 1 are included in the 'Positioning & Reporting Lines' section as follows:
- 4.2 There have been minor changes to the Charter around updating the specific responsibilities of the Governance and Audit Committee, reporting lines of the CIA and the role of statutory officers.
- 4.3 The Internal Audit Strategy in Appendix 2 provides background to the internal Audit service as well as the revised plan of work for the year that takes into consideration the budget pressures that the Council is currently facing and an assessment of risk and consultation with services.
- 4.4 The proposed plan of work will allow the Chief Internal Auditor to provide an overall 'opinion' for the Internal Audit Annual Report for 2024-25 and inform the Annual Governance Statement. This Committee will receive regular information reports on progress.

4.5 Following on from the Internal Audit External Quality Assessment, the Chief Internal Auditor has taken onboard the comments around having a separate QAIP report and therefore, it is included in Appendix 3 and has been removed from the Annual Internal Audit Report.

5. How does the decision contribute to the Corporate Priorities?

5.1 There is no decision required with this report. There is no direct contribution to the Corporate Priorities, but some projects in the audit plan will review Corporate Priority areas and will provide assurance on their delivery.

6. What will it cost and how will it affect other services?

6.1 Not applicable - there is no decision or costs attached to this report.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1 This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

8. What consultations have been carried out with Scrutiny and others?

8.1 The Chief Internal Auditor has consulted with Corporate Executive Team (CET), Cabinet, Head of Service (HoS) and their management teams.

9. Chief Finance Officer Statement

9.1 There are no financial implications attached to this report.

10. What risks are there and is there anything we can do to reduce them?

10.1 Failure to deliver an adequate level of internal audit may mean that the Chief Internal Auditor cannot provide an annual 'opinion' on the adequacy and

effectiveness of the Council's framework of governance, risk and control during the year. This would potentially lead to a significant governance issue being raised in the Council's 'annual governance statement' at the end of the financial year.

11. Power to make the decision

11.1 Not applicable - there is no decision required with this report.