

<b>Report to</b>	Corporate Governance & Audit Committee
<b>Date of meeting</b>	19 March 2025
<b>Lead Member / Officer</b>	Cllr Gwyneth Ellis / Bob Chowdhury – Chief Internal Auditor
<b>Report author</b>	Bob Chowdhury – Chief Internal Auditor
<b>Title</b>	Internal Audit Charter, Strategy & Quality Assurance Improvement Programme 2025-26

## **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 2025-26.
- 1.2 The Charter defines Internal Audit's purpose, authority, and responsibility in line with the Global Internal Audit Standards (GIAS) in the UK Public Sector which apply from 1 April 2025.
- 1.3 The Internal Audit Strategy for 2025-26 aims to support the council in making the best use of its resources and considers strategic risks and the corporate priorities.
- 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 GIAS in the UK Public Sector, safeguards will continue for a period of time to maintain Internal Auditors' independence and objectivity.

- 2.2 During the last twelve months the Institute of Internal Auditors has carried out a consultation with the auditing profession around the new Global Internal Audit Standards (GIAS) that came into force in January 2025. The GIAS guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function.
- 2.3 To ensure that all Local Authorities can comply with the new GIAS, the Chartered Institute for Public Finance and Accountancy (CIPFA), has reviewed the standards and produced the GIAS in the UP public Sector. The new GIAS in the Public Sector allows local authorities 12 months to review all their internal audit documentation and processes to conform to the GIAS in the UK Public Sector.
- 2.4 The Chief Internal Auditor will review the Charter each year and present it to the Governance and Audit Committee for final approval.
- 2.5 The Chief Internal Auditor will review the Strategy each year and present it to the Governance and Audit Committee for final approval.
- 2.6 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 2025-26 (Appendix 2) and the QAIP (Appendix 3).

### **4. Report details**

- 4.1 The introduction of the GIAS in the UK Public Sector has meant that the Charter needs to be reviewed and additional information included. The main change to the Charter is an Internal Audit Mandate has been required which should outline the internal audit function.

- 4.2 The Strategy has been amended to comply with the GIAS in the UK Public Sector requirement to deliver an annual internal audit opinion and report that the organisation can use to inform its governance statement.
- 4.3 The Internal Audit Strategy in Appendix 2 provides background to the Internal Audit service, but this year the annual plan has been removed and will be presented to the Governance and Audit committee as a separate document to the meeting of the Governance and Audit committee on 11 June 2026.
- 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 Directors, Section 151 Officer, senior management 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.