

Crawley Borough Council

Report to the Audit Committee

20 March 2023

Internal Audit Charter 2023-2024

Report of the Head of Corporate Finance – FIN/620

1. Purpose

- 1.1 The purpose of this paper is to present the Internal Audit Charter 2023-2024 to the Audit Committee in accordance with the requirements of the Public Sector Internal Audit Standards.

2. Recommendations

- 2.1 The Committee is requested to approve the Internal Audit Charter 2023-2024 as attached as Appendix A to this report.

3. Reasons for the Recommendations

- 3.1 The Committee has a responsibility to approve the Internal Audit Charter in accordance with the Public Sector Internal Audit Standards.

4. Background

- 4.1 The Internal Audit Charter is a formal document that defines the internal audit activity's purpose, authority and responsibility consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. The Public Sector Internal Audit Standards require the charter to be reviewed and approved annually.

- 4.2 The Accounts and Audit (England) Regulations 2015 state:

'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management control and governance processes, taking into account public sector internal auditing standards or guidance'

The Public Sector Internal Audit Standards (attribute standard 1000) requires that all internal audit activities maintain an 'internal audit charter'.

The internal audit charter establishes internal audits position within the organisation including:

- Recognising the mandatory nature of the Public Sector Internal Audit Standards
- Defining the scope of internal audit responsibilities.
- Establishing the organisational independence of internal audit.
- Establishing accountability and reporting lines (functional and administrative).
- Arrangements that exist with regard anti-fraud and anti-corruption.
- Establishing internal audit rights of access.

- Defining the terms 'board' and 'senior management' for the purpose of internal audit.

In accordance with the Standards the internal audit charter should be reviewed annually (minimum) and approved by senior management and the Audit Committee.

Appendix A provides a draft copy of the Internal Audit Charter 2023-2024 for review and comment.

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