

# Arun District Council

<b>REPORT TO:</b>	<b>Audit and Governance Committee – 19 February 2024</b>
<b>SUBJECT:</b>	<b>Internal Audit Charter 2024/25</b>
<b>LEAD OFFICER:</b>	<b>Antony Baden, Group Head of Finance and Section 151 Officer</b>
<b>LEAD MEMBER:</b>	Cllr Dr Walsh
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b> The Council's budget promotes all of the Council's Corporate Priorities.	
<b>DIRECTORATE POLICY CONTEXT:</b> The Council's Internal Audit Service has an effect on all Directorates of the Council.	
<b>FINANCIAL SUMMARY:</b> There are no direct financial implications arising from the report. Provision of a sound Internal Audit Service should result in effective financial control and guard against theft and fraud.	

## 1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to present the Internal Audit Charter 2024-25 to the Audit and Governance 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 as attached.

## 3. EXECUTIVE SUMMARY

- 3.1. 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. DETAIL

- 4.1. 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*

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*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 and Governance Committee.

## **5. CONSULTATION**

- 5.1. No consultation has been undertaken with external bodies.

## **6. OPTIONS / ALTERNATIVES CONSIDERED**

- 6.1. No other options are available.

## **7. COMMENTS BY THE GROUP HEAD OF CORPORATE SUPPORT/SECTION 151 OFFICER**

- 7.1. A fit for purpose, monitored Internal Audit system enhances financial control and reduces the risk of theft and fraud for the Council.

## **8. RISK ASSESSMENT CONSIDERATIONS**

- 8.1. In not maintaining an internal audit charter the Council would not be operating in accordance with the Accounts & Audit Regulations 2015.

## **9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER**

- 9.1. A sound system of Internal Audit is one of the requirements of the Local Government Finance Act 1972.

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## **10. HUMAN RESOURCES IMPACT**

10.1. There are no impacts.

## **11. HEALTH & SAFETY IMPACT**

11.1. There are no impacts.

## **12. PROPERTY & ESTATES IMPACT**

12.1. There are no impacts

## **13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE**

13.1. There are no impacts.

## **14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE**

14.1. There are no impacts.

## **15. CRIME AND DISORDER REDUCTION IMPACT**

15.1. There are no impacts.

## **16. HUMAN RIGHTS IMPACT**

16.1. There are no impacts.

## **17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS**

17.1. There are no impacts.

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### **CONTACT OFFICER:**

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Job Title: Group Head of Finance and Section 151 Officer

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### **BACKGROUND DOCUMENTS:**

None