

Name of Committee:	Audit & Finance Committee		
Committee Date:	25 th March 2024		
Report Title:	Internal Audit Charter 2024-25		
Responsible Officer:	Steven Pink		
Cabinet Lead:	Councillor Bowdell		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	No
Appendices:	Appendix 1 - Internal Audit Charter 2024-25		
Background Papers:	None		
Officer Contact:	Name: Steven Pink Email: Steven.pink@havant.gov.uk		
Report Number:	HBC/94/2024		

Corporate Priorities:

Internal audit plays a vital role in helping the Council accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Executive Summary:

Within the Public Sector Internal Audit Standards (the Standards) there is a requirement for an Internal Audit Charter - a formal document that defines the purpose, authority and responsibility of the internal audit activity.

The Internal Audit Charter must be reviewed periodically (as a minimum annually) by the Chief Internal Auditor and presented to 'Senior Management' and 'the Board'. The Board is defined as:

'the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting. At the Council this shall mean the Audit and Finance Committee'.

The Internal Audit Charter ensures the Chief Internal Auditor has sufficient resource necessary to fulfil the requirements and expectations to deliver an internal audit opinion.

Recommendations:

The Audit and Finance Committee is requested to:

- 1) Approve the Internal Audit Charter for 2024-25, attached as Appendix 1.

1.0 Introduction

- 1.1 The purpose of this paper is to provide the Audit and Finance Committee with the Internal Audit Charter for 2024-25. The Internal Audit Charter formally defines the internal audit activity's purpose, authority and responsibility in line with the Public Sector Internal Auditing Standards [the Standards].

2.0 Background

- 2.1 The Standards provide a consolidated approach to audit standards across the whole of the public sector providing continuity, sound corporate governance and transparency.
- 2.2 The Standards form part of the wider mandatory elements of the International Professional Practices Framework (IPPF) which also includes the mission; core principles; definition of internal audit; and Code of Ethics.
- 2.3 The Standards require all internal audit activities to implement and retain an 'Internal Audit Charter' which defines the internal audit activity's purpose, authority and responsibility.

3.0 Options

- 3.1 Not applicable.

4.0 Relationship to the Corporate Strategy

- 4.1 Internal audit plays a vital role in helping the Council accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

5.0 Conclusion

- 5.1 The Internal Audit Charter is a requirement within the Standards and must be reviewed, agreed and approved at least annually.
- 5.2 The Internal Audit Charter ensures the Chief Internal Auditor has sufficient resource necessary to fulfil the requirements and expectations to deliver an internal audit opinion.

6.0 Implications and Comments

6.1 S151 Comments

The Internal Audit Charter sets out the key purpose, scope, responsibilities and definitions of the Internal audit and of those responsible for and to it. As part of my statutory responsibility to ensure an effective system of internal financial control, it is vital that the Council has an internal audit function.

Havant Borough Council does not have the resources to efficiently operate a stand-alone internal audit function and there we purchase this facility from the Southern Internal Audit Partnership, hosted by Hampshire County Council.

6.2 Financial Implications

Internal Audit is provided through the Southern Internal Audit Partnership. The audit plan consists of 250 audit days and will remain fluid throughout the year to meet the changing needs and capacity of the Council.

6.3 Monitoring Officer Comments

The Internal Audit Charter defines internal audits activity, purpose, authority, and responsibility in line with the Public Sector Internal Auditing Standards. The Charter is considered annually by the Audit and Finance Committee. The Monitoring Officer supports the recommendation to approve the Charter.

6.4 Legal Implications

Regulation 5 (1) of the Accounts and Audit Regulations 2015 requires that; '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 audit standards and guidance'.

6.5 Equality and Diversity

Not applicable.

6.6 Human Resources

Not applicable.

6.7 Information Governance

Not applicable.

6.8 Climate and Environment

Not applicable.

7.0 Risks

7.1 Failure to deliver a coherent and appropriate audit plan would increase the risk of failing within the Council's service delivery.

7.2 The audit needs assessment follows a risk-based audit approach taking cognisance of the Council's risk register.

8.0 Consultation

8.1 This report has been discussed with the Council's Section 151 Officer who has regular update meetings with the Deputy Head of Southern Internal Audit partnership.

9.0 Communications

9.1 Not applicable.

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr Neil Bowdell	15/03.24
Executive Head:	Matt Goodwin	15/03/24
Monitoring Officer:	Jo McIntosh	14/03/24
Section151 Officer:	Steven Pink	15/03/24