

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>6 JUNE 2024</b>
<b>Report Title:</b>	<b>REGIONAL INTERNAL AUDIT SERVICE CHARTER 2024-25</b>
<b>Report Owner / Corporate Director:</b>	<b>HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The proposals in this report are in accordance with the policy framework and budget.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The Regional Internal Audit Service (RIAS) Charter establishes the position of internal audit activity within each Council along with reporting lines. It is a formal document that defines the purpose, authority and responsibility of internal audit activities.</b></li> <li>• <b>The Head of Internal Audit is responsible for reviewing the Charter and presenting it to each Council’s Governance and Audit Committee annually for review and approval in line with the Public Sector Internal Audit Standards.</b></li> <li>• <b>One of the key roles which demonstrate the Governance and Audit Committee’s oversight is the approval of the Internal Audit Charter.</b></li> <li>• <b>The Regional Internal Audit Service (RIAS) Charter has been reviewed for 2024-25 to ensure it continues to reflect the requirements of the Public Sector Internal Audit Standards (PSIAS) and that it remains applicable to all partners involved in the RIAS.</b></li> </ul>

## **1. Purpose of Report**

1.1 The purpose of this report is to present to members of the Governance and Audit Committee the Regional Internal Audit Service Charter for 2024-25 for approval.

## **2. Background**

2.1 The Regional Internal Audit Service (RIAS) Charter establishes the position of internal audit activity within each Council along with reporting lines. It is a formal document

that defines the purpose, authority and responsibility of internal audit activities across Bridgend, Merthyr Tydfil and the Vale of Glamorgan Councils.

- 2.2 The Charter was fully reviewed and amended for 2020-21 to be consistent with the objectives of the Shared Service, that is, to eliminate duplication and apply best practice.
- 2.3 The Charter also sets out the authorisation of access to records, personnel, and physical property relevant to the performance of audit work and defines the scope of internal audit activities.
- 2.4 The Head of Internal Audit is responsible for reviewing the Charter and presenting it to each Council's Governance and Audit Committee annually for review and approval in line with the Public Sector Internal Audit Standards.
- 2.5 The Public Sector Internal Audit Standards (PSIAS) are applicable to all areas of the United Kingdom public sector and are based on the Chartered Institute of Internal Auditor's (CIIA's) International Professional Practices Framework.
- 2.6 The RIAS is committed to meeting the standards laid down in the Public Sector Internal Audit Standards Framework and any significant deviations from the Standards will be reported to the Governance and Audit Committee.
- 2.7 The Charter is split into the following sections:
  - Purpose, Authority and Responsibility;
  - Independence and Objectivity;
  - Proficiency and Due Professional Care;
  - Quality Assurance and Improvement Programme.
- 2.8 The Charter also has three annexes containing a Glossary of Terms, the Code of Ethics and Additional Requirements which outlines that staff must also comply with the Seven Principles of Public Life as well as the Vale of Glamorgan Council's Code of Corporate Governance.
- 2.9 The roles of the Governance and Audit Committee in relation to internal audit are to:
  - Oversee its independence, objectivity, performance and professionalism;
  - Support the effectiveness of the internal audit process;
  - Promote the effective use of internal audit within the assurance framework.
- 2.10 One of the key roles which demonstrate the Governance and Audit Committee's oversight is the approval of the Internal Audit Charter.

### **3. Current situation / proposal**

- 3.1 The Public Sector Internal Audit Standards requires the Head of Internal Audit to review the Charter periodically, but final approval resides with the Governance and Audit Committee.
- 3.2 The Regional Internal Audit Service Charter for 2024-25 is attached at **Appendix A** and has been reviewed to ensure it continues to reflect the requirements of the PSIAS and that it remains applicable to all partners involved in the RIAS.

3.3 The Charter has been updated to reflect that the RIAS is now a 3 partner operating model. Reference to the Global Internal Audit Standards is included in paragraph 2.14, and a reference to the Anti-Fraud, Bribery and Corruption Policy is made following a recommendation made during the External Assessment of RIAS.

3.4 Paragraph 4.11 of the Charter relating to External Assessment has also been updated to reflect that this was successfully completed and reported to all partners' Governance and Audit Committees during 2023.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report

#### **6. Climate Change Implications**

6.1 There are no climate change implications arising from this report.

#### **7. Safeguarding and Corporate Parent Implications**

7.1 There are no safeguarding or corporate parent implications arising from this report.

#### **8. Financial Implications**

8.1 There are no direct financial implications arising from this report however an effective Internal Audit Service is a key contributor in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

#### **9. Recommendation**

9.1 Members of the Governance and Audit Committee are requested to consider and approve the Regional Internal Audit Service Charter for 2024-25 as attached in **Appendix A** to this report.

#### **Background documents**

None