

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE AUDIT COMMITTEE

16 JULY 2020

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

REGIONAL INTERNAL AUDIT SHARED SERVICE CHARTER 2020/21

1. Purpose of Report.

- 1.1. To present to Members the Regional Internal Audit Shared Service Charter for 2020/21.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensure that all its resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's well-being objectives.

3. Background

- 3.1 The Internal Audit Charter is a formal document that defines the purpose, authority and responsibility of Internal Audit activities. The Internal Audit Charter establishes Internal Audit's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit activities.
- 3.2 The purpose of this Regional Internal Audit Shared Service (RIASS) Charter is to define the purpose, authority and responsibilities of the Regional Internal Audit Shared Service across Bridgend, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan Councils. This is the first time a consistent Charter for the four Councils has been proposed and is consistent with the objectives of the Regional Shared Service, that is, to eliminate duplication and apply best practice.
- 3.3 The Charter establishes the position of internal audit activity within each Council along with reporting lines, authorising access to records, personnel and physical property relevant to the performance of audit work and defines the scope of internal audit activities.
- 3.4 The Head of Internal Audit is responsible for reviewing the charter and presenting it to each Council's Audit Committee annually for review and approval in line with the Public Sector Internal Audit Standards (PSIAS).
- 3.5 The 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.

3.6 The Regional Internal Audit Shared Service 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 Audit Committee.

3.7 The Charter is split into the following sections:

1. Purpose, Authority and Responsibility;
2. Independence and objectivity;
3. Proficiency and due professional care;
4. Quality assurance and improvement program;

The Charter also has two annexes containing a Glossary of Terms and the Code of Ethics.

3.8 The roles of the Audit Committee in relation to internal audit are to:

- Oversee its independence, objectivity, performance and professionalism;
- Support the effectiveness of the internal audit process and;
- Promote the effective use of internal audit within the assurance framework

3.9 One of the key roles which demonstrate the Audit Committee's oversight is the approval of the Internal Audit Charter.

4. Current situation / proposal

4.1. The PSIAS requires the Head of Internal Audit to review the charter periodically but final approval resides with the Audit Committee.

4.2. The Regional Internal Audit Shared Service Charter for 2020/21 is attached at **Appendix A**. It has been reviewed and updated to ensure it continues to reflect the requirements of the PSIAS and is applicable to all four Councils involved in the Shared Service.

5. Effect upon policy framework & procedure rules.

5.1. There is no effect upon the policy framework and procedure rules.

6. Equality Impact Assessment.

6.1. There are no equality implications arising from this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 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.

8. Financial implications.

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

9. Recommendation.

- 9.1 That Members consider and approve the Regional Internal Audit Shared Service Charter for 2020/21 as attached as Appendix A to this report.

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Background Documents

Public Sector Internal Audit Standards 2017