

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

22 April 2021

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

REGIONAL INTERNAL AUDIT SERVICE CHARTER 2021/22

1. Purpose of report

- 1.1. To present to members of the Governance and Audit Committee the Regional Internal Audit Service's Internal Audit Charter for 2021/22.

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 resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation 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 Service 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. The Charter is consistent with the objectives of the Regional Shared Service, including eliminating duplication and application of 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:
- Purpose, Authority and Responsibility;
 - Independence and Objectivity;
 - Proficiency and Due Professional Care;
 - Quality Assurance and Improvement Programme.
- 3.8 The Charter also has two annexes containing a Glossary of Terms and the Code of Ethics.
- 3.9 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 and;
 - Promote the effective use of internal audit within the assurance framework.
- 3.10 One of the key roles which demonstrate the Governance and Audit Committee's oversight is the approval of the Regional Internal Audit Service's 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 Governance and Audit Committee.
- 4.2. The Regional Internal Audit Charter for 2021/22 is attached at **Appendix A**. The Charter was fully reviewed and amended for 2020/21 to have a consistent Charter for the four Councils. This is consistent with the objectives of the Regional Shared Service, that is, to eliminate duplication and apply best practice.
- 4.3. It has been reviewed again for 2021/22 to ensure it continues to reflect the requirements of the PSIAS and is applicable to all four Councils involved in the Shared Service. The only changes made relate to the change of title of the Audit Committee to the Governance and Audit Committee as a result of the Local Government & Elections (Wales) Act.

5. Effect upon policy framework and 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 of the Committee consider and approve the Regional Internal Audit Service Charter for 2021/22 as attached in **Appendix A** to this report.

Mark Thomas
Head of the Regional Internal Audit Service
April 2021

Contact Officer: Mark Thomas – Head of Regional Internal Audit Service
Telephone: (01446) 709572
E-mail: cmthomas@valeofglamorgan.gov.uk

Postal Address

Bridgend County Borough Council
Internal Audit
Ravens Court
Brewery Lane
Bridgend
CF31 4AP

Background Documents

Public Sector Internal Audit Standards 2017