

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

27 APRIL 2023

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

REGIONAL INTERNAL AUDIT SERVICE CHARTER 2023-24

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 2023-24 for approval.

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 to deliver the Council's well-being objectives.

3. Background

- 3.1. 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.
- 3.2. The RIAS Charter defines the purpose, authority and responsibilities of the RIAS across Bridgend, Merthyr Tydfil, Rhondda Cynon Taf and the Vale of Glamorgan Councils. The Charter was fully reviewed and amended for 2020-21 to develop a consistent charter for the four Councils and to be consistent with the objectives of the 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 Governance and Audit Committee annually for review and approval in line with the Public Sector Internal Audit Standards.
- 3.5. 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.

- 3.6. 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.
- 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 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.
- 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;
 - 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 Internal Audit Charter.

4. Current situation / proposal

- 4.1. 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.
- 4.2. The Regional Internal Audit Service Charter for 2023-24 is attached at **Appendix A** and has been reviewed for 2023-24 to ensure it continues to reflect the requirements of the PSIAS and that it remains applicable to all four Councils involved in the Shared Service.
- 4.3. The Charter has been updated to include in Section 2.17, "*in addition to the Code of Ethics staff must comply with the Seven Principles of Public Life and the Vale of Glamorgan Council's Code of Corporate Governance which are referred to in Annex 3 – Additional Requirements.*"
- 4.4. Paragraph 4.11 of the Charter relating to External Assessment has also been updated to reflect that a comprehensive and detailed self-assessment has been carried out during 2022 and shared with the external assessors in November 2022. The external assessment of the RIAS is currently in progress and is due to be completed in April 2023.

5. Effect upon policy framework and procedure rules

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

6. Equality Act 2010 implications

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

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

7.1. 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.

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 2023-24 as attached in **Appendix A** to this report.

Mark Thomas
Head of the Regional Internal Audit Service
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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
Ravens Court
Brewery Lane
BridgendCF31 4AP

Background Documents

Public Sector Internal Audit Standards 2017