

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	21 MAY 2026
Report Title:	REGIONAL INTERNAL AUDIT SERVICE CHARTER 2026-27
Report Owner: Responsible Chief Officer / Cabinet Member	HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
Responsible Officer:	ANDREW WATHAN HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
Policy Framework and Procedure Rules:	The proposals in this report are in accordance with the policy framework and budget.
Executive Summary:	<ul style="list-style-type: none"> • 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. • 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 Global Internal Audit Standards (GIAS). • One of the key roles which demonstrate the Governance and Audit Committee's oversight is the approval of the Internal Audit Charter. • The Regional Internal Audit Service (RIAS) Charter has been reviewed for 2026-27 to ensure it reflects the requirements of the Global Internal Audit Standards (GIAS) and that it remains applicable to all partners involved in the RIAS. • The Global Internal Audit Standards came into effect in the public sector in the UK from 1st April 2025; they replaced the Public Sector Internal Audit Standards. • The GIAS is complemented by The Chartered Institute of Public Finance and Accountancy's Application Note and Code on the Governance of Internal Audit.

1. Purpose of Report

- 1.1 To present to Members the Regional Internal Audit Service Charter for 2026-27 for consideration and 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. It was further updated for 2025-26 to align with the Global Internal Audit Standards.
- 2.3 The Charter 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 Global Internal Audit Standards (GIAS) requirements.
- 2.5 The Standards (GIAS) are applicable to all internal audit teams across the world. Within the public sector in the UK, these standards became effective from 1st April 2025. They are complemented by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Application Note and Code on the Governance of Internal Audit. The GIAS replaced the Public Sector Internal Audit Standards which RIAS previously complied with.
- 2.6 The Regional Internal Audit Shared Service is committed to meeting the standards laid down in the Global 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, a summary of Domain 2 of GIAS – Ethics and Professionalism and the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Application Note; CIPFA's Application Note also includes links to the GIAS and the CIPFA documentation referred to and outlines that staff must also comply with the Seven Principles of Public Life as well as 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 Global Internal Audit Standards (GIAS) 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 Charter for 2026-27 is attached at **Appendix A** and has been reviewed to ensure it continues to reflect the requirements of the GIAS and that it remains applicable to all three Councils involved in the Shared Service. For reference and information, the changes made are shown below.

3.3 The Charter has been updated to provide further details of Internal Audit's Authority within its Mandate, by referring more specifically to the Accounts and Audit (Wales) Regulations 2014 and the Local Government Measure 2011 as amended by the Local Government and Elections (Wales) Act 2021 as follows:

“To be effective and to meet the requirements of professional standards, internal audit's authority must be established. In local government in the UK, internal audit's authority has statutory backing through the regulations issued by national UK governments. In Wales, the statutory nature of Internal Audit is established by the following legislation: The Accounts and Audit (Wales) Regulations 2014 state:

- (1) *A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.*
- (2) *Any officer or member of that body must, if the body requires*
 - (a) *make available such documents of the body which relate to its accounting and other records as appear to that body to be necessary for the purpose of the audit;*
 - (b) *supply the body with such information and explanation as that body considers necessary for that purpose.*
- (3) *A larger relevant body must, at least once in each year, conduct a review of the effectiveness of its internal audit.*
- (4) *The findings of the review referred to in paragraph (3) must be considered, as part of the consideration of the system of internal control referred to in regulation 5(3), by the committee or body referred to in that paragraph.*

Furthermore, the Local Government (Wales) Measure 2011, as amended by the Local Government and Elections (Wales) Act 2021 requires the appointment of a Governance and Audit Committee to oversee the authority's internal and external audit arrangements.”

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 If the Global Internal Audit Standards are not met, the provision of an adequate and effective Internal Audit function is put at risk which in turn could compromise the work of the Governance and Audit Committee. This could undermine the positive contribution that both Internal Audit and the Governance and Audit Committee make to both short and long term service improvement and the Council's Well-Being Objectives.

6. Climate Change and Nature Implications

6.1 There are no climate change or nature 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 resource implications as a direct consequence of this report.

9. Recommendation

9.1 Members of the Governance and Audit Committee are requested to consider and approve the Regional Internal Audit Service Charter for 2026-27 as attached in **Appendix A** to this report.

Background documents

None