

| Audit Committee Meeting | |
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| Meeting Date | 28 November 2018 |
| Report Title | Internal Audit Charter |
| Cabinet Member | Cllr Duncan Dewar-Whalley, Cabinet Member for Finance & Performance |
| SMT Lead | Nick Vickers, Chief Financial Officer |
| Head of Service | Rich Clarke, Head of Audit Partnership |
| Lead Officer | Rich Clarke, Head of Audit Partnership |
| Key Decision | No |
| Classification | Open |
| Recommendations | 1. To approve the Internal Audit Charter. |

1 Purpose of Report and Executive Summary

- 1.1 We provide this report to allow the Committee to consider and approve the revised Internal Audit Charter.
- 1.2 An Audit Charter is a requirement of Public Sector Internal Audit Standards (Standard 1000) and is a foundational document setting out the purpose, authority and responsibility of the service. This Committee last considered and approved our Charter in March 2016.

2 Background

- 2.1 In the main, the updates to the Charter in 2018 are simply taking the opportunity to refresh the document. This includes some simplification of wording and removal of audit jargon, as well as re-ordering some sections to make the document more readable and updating job titles.
- 2.2 Substantive changes are limited but noted below:
 - Addition of a glossary of terms to clarify how particular terms in the Standards apply in a Swale BC context.
 - Following further guidance published by the Institute of Internal Audit (IIA) in 2016, the Charter now has more detail on the international standards and principles that apply to internal audit.
 - Clarifying the role of the Audit Committee as a key consultee before commissioning external quality assessment.
 - Specifying the need for annual review.

3 Proposals

- 3.1 We propose the Audit Committee approve the internal audit charter.

4 Alternative Options

- 4.1 We do not propose any alternative action as a Charter is a Standards requirement. However we are of course happy to consider comments to refine the specifics of the Charter.

5 Consultation Undertaken or Proposed

- 5.1 The Charter shows limited change from earlier approved versions, as detailed above.

6 Implications

| Issue | Implications |
|----------------------------------|--|
| Corporate Plan | Internal audit and its findings provide assurance to Members on the effectiveness of the Council's governance. |
| Financial, Resource and Property | The Charter commits the authority to continue ensuring internal audit has adequate resources. We will discuss the specifics of this year on year as part of the Council's standard budget setting processes. |
| Legal and Statutory | Having an operative Charter contributes to fulfilling the Council's duties under the Local Audit & Accountability Act 2014. |
| Crime and Disorder | The report makes no recommendations that impact crime and disorder. |
| Environmental Sustainability | The report makes no recommendations that impact environmental sustainability. |
| Health and Wellbeing | The report makes no recommendations that impact health and well being. |
| Risk Mgmt/ Health & Safety | The report makes no recommendations that impact risk management or health and safety. |
| Equality and Diversity | The report makes no recommendations that impact equality and diversity. |
| Privacy and Data Protection | The audit service collects no data directly from the public. Any data we collect during our reviews we hold in line with the Council's applicable policies. |

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Internal Audit Charter

8 Background Papers

None applicable.