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| <b>21 March 2024</b>  |                                 | <b>ITEM: 5</b> |
| <b>Standards and Audit Committee</b>  |                                 |                |
| <b>Internal Audit Charter 2024</b>  |                                 |                |
| <b>Wards and communities affected:</b><br>All   | <b>Key Decision:</b><br>Non-key |                |
| <b>Report of:</b> Colin Ratcliffe – Interim Head of Financial Assurance, Risk, Internal Audit and Insurance |                                 |                |
| <b>Accountable Assistant Director:</b> N/A  |                                 |                |
| <b>Accountable Director:</b> Dawn Calvert – Chief Financial Officer (Section 151 Officer)                   |                                 |                |
| <b>This report is public</b>  |                                 |                |
| <b>Version:</b> Final   |                                 |                |

## Executive Summary

The Internal Audit Charter (the Charter) is a formal document that defines the Internal Audit Service's purpose, authority, and responsibility. The Charter establishes Internal Audit's position within the Council, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards and Audit Committee; authorises access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit's activities. Final approval of the Charter lays with the Standards and Audit Committee.

## Commissioner Comment:

Commissioners support the adoption of the Charter in demonstrating the Council's commitment to its internal audit service standards and ways of working.

### 1. Recommendation(s)

**1.1 That the Standards and Audit Committee approve the Internal Audit Charter 2024 (Appendix 1) and the Chair of the Standards & Audit Committee signs the Charter on behalf of the Committee.**

### 2. Introduction and Background

2.1 The foundation of an effective internal audit service is compliance with standards and proper practices.

2.2 A professional, independent, and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.

2.3 An effective internal audit service should:

- Understand the whole organisation, its needs and objectives;
- Understand its position with respect to the organisation's other sources of assurance and plan its work accordingly;
- Be seen as a catalyst for improvement at the heart of the organisation;
- Add value and assist the organisation in achieving its objectives; and
- Be forward looking – knowing where the organisation wishes to be and aware of the national agenda and its impact.

2.4 The Charter establishes the purpose, authority, and responsibilities for the Internal Audit Service for Thurrock Council.

### **3. Issues, Options and Analysis of Options**

3.1 The Charter has been prepared in order to help to support the provision of an effective internal audit service and to meet the requirements of the Public Sector Internal Auditing Standards.

### **4. Reasons for Recommendation**

4.1 To provide the Council with assurance that the Internal Audit Service is working towards compliance with the requirements of the Public Sector Internal Auditing Standards.

### **5. Consultation (including Overview and Scrutiny, if applicable)**

5.1 The Charter has been agreed with the Interim Chief Financial Officer (Section 151 Officer) as the responsible officer.

### **6. Impact on corporate policies, priorities, performance and community impact**

6.1 There is no direct impact on the policies, priorities, performance or on the Community although an effective internal audit service may impact indirectly on all areas of the Council's business.

### **7. Implications**

#### **7.1 Financial**

Implications verified by: **Rob Chimani**  
**Accountant**

**12<sup>th</sup> March 2024**

There are no financial implication arising from this report.

## 7.2 Legal

Implications verified by: **Gina Clarke**  
**Governance Lawyer & Deputy Monitoring Officer**  
**11 March 2024**

The approval of the Internal Audit Charter 2024 supports of the Council's responsibility to comply with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015. This includes to undertake an effective internal audit at least annually, and amongst other things, evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards and associated guidance. The Council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee.

## 7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**  
**Community Engagement and Project Monitoring Officer**  
**11 March 2023**

There are no diversity implications within this report.

## 7.4 Risks

If the Internal Audit Charter is not agreed, the Internal Audit Service will not have sufficient authority to undertake internal audit activities required to provide an annual internal audit opinion on the adequacy and effectiveness of the Council's governance, risk management, and internal control arrangements.

## 7.5 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

The Internal Audit Plan and its outcomes are a key part of the Council's risk management and assurance frameworks.

## 8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Public Sector Internal Audit Standards (PSIAS)
- CIPFA – PSIAS Local Government Application Note
- Institute of Internal Auditors International Professional Practices Framework

## 9. Appendices to the report

- Internal Audit Charter 2024

**Report Author:**

Colin Ratcliffe

Interim Head of Financial Assurance, Risk, Internal Audit, and Insurance  
Finance