

Audit and Governance Committee



Date of meeting:	23 March 2020
Title of Report:	Internal Audit Charter & Strategy 2020/21
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Andrew Hardingham (Service Director for Finance)
Author:	Brenda Davis, Audit Manager
Contact Email:	brenda.davis@devonaudit.gov.uk
Your Reference:	AUD/BD
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

Re-affirmation of the Devon Audit Partnership Internal Audit Charter and Strategy.

There are no changes to the 2020/21 Internal Audit Charter from the document approved by this Committee in March 2019 and the Internal Audit Strategy is also unchanged except for an update to staff numbers and professional qualification in Section 6 – Resources and Skills to ensure details accurately reflect resources as at March 2020.

One of the requirements of the Public Sector Internal Audit Standards (PSIAS) is that the purpose, authority and responsibility of the internal audit activity are formally defined in an internal audit charter and strategy, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. The internal audit charter and strategy are in the accompanying documents.

The PSIAS sets additional Public Sector requirements where the internal audit charter and strategy must also:

- define the terms 'board' and 'senior management' for the purposes of internal audit activity;
- cover the arrangements for appropriate resourcing;
- define the role of internal audit in any fraud-related work; and
- include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.

The Audit Strategy is a high-level statement of how the internal audit service will be delivered and developed in accordance with the Charter and how it links to the organisational objectives and priorities. It will communicate the contribution that Internal Audit makes to the organisation and should include:

- internal audit objectives and outcomes;
- how the Head of Devon Audit Partnership will form and evidence his opinion on the governance, risk and control framework to support the Annual Governance Statement;
- how Internal Audit's work will identify and address significant local and national issues and risks;
- how the service will be provided, and
- the resources and skills required to deliver the Strategy.

The Strategy should be approved, but not directed, by the Audit and Governance Committee.

1. The Charter and Strategy complies with the mandatory requirements of the Public Sector Internal Audit Standards.
2. Delivery of the Internal Audit Service will be by the Devon Audit Partnership.

Recommendations and Reasons

Members of the Audit and Governance Committee agree the Internal Audit Charter & Strategy for the year 2020/21.

Alternative options considered and rejected

None, as failure to maintain an adequate and effective system of internal audit would contravene the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards.

Relevance to the Corporate Plan and/or the Plymouth Plan

The Internal Audit service assists the Council in delivering robust standards of public accountability and probity in the use of public funds and has a role in promoting high standards of service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations.

Our work supports delivery of the values and priorities set out in Corporate Plan by ensuring that resources are used wisely, and service areas understand and deliver quality public services which meet customer and community needs and keep people safe.

Implications for the Medium Term Financial Plan and Resource Implications:

Delivery of the audit plan will assist the council in delivering value for money services.

Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

The work of the internal audit service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		1	2	3	4	5	6	7
A	Internal Audit Charter and Strategy 2020/21							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Andrew Hardingham											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 04/03/2020											
Cabinet Member approval: Cllr Lowry											
Date approved: 11/03/2020											