

Internal Audit Charter for Devon Assurance Partnership (DAP) in Plymouth City Council (PCC)

Purpose

Internal Audit's role is to enhance and protect organisational value. This is achieved through objective assurance, advice, and insight. Its activity aims to support the organisation in meeting its objectives, maintaining statutory compliance, improving risk culture, and delivering transparent governance. Internal Audit enhances the Authorities':

- Successful achievement of its objectives.
- Governance, Risk Management, and Control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Authorities' Internal Audit function provided through DAP is most effective when:

- Internal Auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards, which are set in the public interest.
- The Internal Audit function is independently positioned with direct accountability to the Audit Committee.
- Internal Auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

From 1 April 2025, all UK public sector bodies and Internal Audit functions must demonstrate conformance with the Global Internal Audit Standards, and the [UK Public Sector Application Note](#). These standards define Internal Audit's purpose, independence, scope, mandate, and expectations for Chief Audit Executive (CAE) positioning, qualifications, and reporting relationships. A key document in this is the Internal Audit Charter.

The Application Note clarifies that public sector governance structures may differ from corporate governance norms, and therefore additional interpretations are required to apply GIAS effectively. For example, UK public bodies often have limited control over Audit Committee composition, budget-setting constraints, and statutory reporting structures. The Application Note ensures these realities do not prevent conformance with the underlying principles of Independence and Objectivity.

Internal Audit must be independent in both fact and appearance. Independence ensures stakeholders can rely on the assurance provided. The Accounts and Audit Regulations, GIAS, and the [CIPFA Code](#) collectively reinforce that Internal Audit must be free from interference in determining scope, performing work, and reporting results. [Regulation 5\(2\) of the Accounts and Audit Regulations](#) obligates staff and members to make documents, records, and explanations available to Internal Audit. This legal backing protects Internal Audit from obstruction.

DAP will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Chief Audit Executive (Head of DAP) will report periodically to the Audit Committee and Authorities' Senior Management regarding the Internal Audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Internal Audit Charter for Devon Assurance Partnership (DAP) in Plymouth City Council

The 2025 CIPFA Code operationalises GIAS for Local Government. It sets out clear expectations of those charged with governance, senior management, and audit committees. It also requires Local Authorities to explain compliance in their Annual Governance Statement. CIPFA Code of Practice for Governance of Internal Audit (2025). The Code sets out Internal Audit's position by mandating:

- Clear articulation of Internal Audit's mandate in a formally approved Charter.
- Senior management responsibility for ensuring Internal Audit is adequately resourced.
- Audit Committee oversight of Internal Audit's performance and independence.
- Regular private meetings between the CAE and the Audit Committee.

The Code also requires senior management to uphold Internal Audit's independence by ensuring:

- The Chief Audit Executive reports in their own right to the Audit Committee on the work of Internal Audit.
- Internal Audit has unrestricted access to senior leadership and decision-makers.
- Audit recommendations cannot be suppressed or altered by management.
- Safeguards exist where the CAE holds additional non-audit responsibilities.

Mandate

Authority

Internal Audit in Local Government derives its core authority from legislation. The Accounts and Audit Regulations 2015 (amended 2024) require every relevant authority to maintain an effective Internal Audit function. Internal Audit is a legal requirement and the legislation states that Internal Audit must evaluate the effectiveness of governance, risk management, and internal control processes.

[Accounts and Audit Regulations 2015 \(Legislation.gov.uk\)](#) Regulation 5 sets out Internal Audit's powers, including unrestricted access to documents, records, systems, and staff. This ensures Internal Audit can examine any area necessary to provide robust assurance. Regulation 6 of the Accounts and Audit Regulations requires authorities to review the effectiveness of their internal control system and Internal Audit provides the independent foundation for this.

Section 151 Officer – Statutory Link to Internal Audit and Internal Control

Section 151 of the Local Government Act 1972 requires every local authority to “make arrangements for the proper administration of its financial affairs and appoint a Section 151 Officer (Chief Finance Officer)” responsible for those arrangements, Legislation: [Local Government Act 1972 – Section 151](#)

This statutory responsibility directly links the Section 151 Officer to Internal Audit and internal control because:

- ‘Proper administration’ requires robust internal control systems, which Internal Audit independently assesses.
- The Section 151 Officer must ensure an adequate and effective system of Internal Audit is established.
- Internal Audit provides assurance supporting the Section 151 Officer's duties to maintain financial resilience, prevent unlawful expenditure and ensure compliance with regulations.

Internal Audit Charter for Devon Assurance Partnership (DAP) in Plymouth City Council

The Authority authorises the Internal Audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out Internal Audit responsibilities. Internal Auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Authority and other specialised services from within or outside DAP to complete Internal Audit services.

Independence, Organisational Position, and Reporting Relationships

The Chief Audit Executive (Head of DAP) will be positioned at a level in the organisation that enables Internal Audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the Internal Audit function. (See "Mandate" section). This is further achieved with DAP through the partnership governance structure, being the DAP Management Board and DAP Joint Committee.

This position provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference, and supports the Internal Auditors' ability to maintain objectivity.

The Head of DAP will confirm to the Audit Committee, at least annually, the organisational independence of the Internal Audit function. If the governance structure does not support organisational independence, the Head of DAP will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.

Where DAP provides any services that are not Internal Audit, for example Risk Management and Counter Fraud, appropriate controls will be put into place to ensure that there is suitable independent assessment of the compliance and effectiveness of such activities.

The Head of DAP will disclose to the Audit Committee any interference Internal Auditors encounter related to the scope, performance, or communication of Internal Audit work and results. The disclosure will include communicating the implications of such interference on the Internal Audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Head of DAP, Audit Committee, and Senior Management on the Internal Audit Mandate or other aspects of the Internal Audit Charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganisation within the Authority.
- A significant change in responsibilities of the Authority.
- Significant changes in the Chief Audit Executive, Audit Committee, and/or Senior Management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.

Internal Audit Charter for Devon Assurance Partnership (DAP) in Plymouth City Council

- New laws or regulations that may affect the nature and/or scope of Internal Audit services.

Audit Committee Oversight

To establish, maintain, and ensure that the Authorities' Internal Audit Function delivered by DAP has sufficient authority to fulfil its duties, the Audit Committee will:

- Discuss with the Head of DAP and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the Internal Audit function.
- Ensure the Head of DAP has unrestricted access to and communicates and interacts directly with the Audit Committee, including in private meetings without senior management present.
- Discuss with the Head of DAP and senior management other topics that should be included in the Internal Audit Charter.
- Participate in discussions with the Head of DAP and senior management about the “essential conditions,” described in the Global Internal Audit Standards, which establish the foundation that enables an effective Internal Audit function.
- Approve the Internal Audit function’s Charter, which includes the Internal Audit mandate and the scope and types of Internal Audit services.
- Review the Internal Audit Charter annually with the Head of DAP to consider changes affecting the organisation, such as the employment of a new Chief Audit Executive or changes in the type, severity, and interdependencies of risks to the organisation; and approve the Internal Audit charter, typically annually.
- Approve the risk-based Internal Audit and assurance plan.
- Advocate to senior management for sufficient budget and resources allowing the Internal Audit function to fulfill its mandate and accomplish its audit plan.
- Provide input to the Internal Audit function’s human resources administration and budgets via the DAP Committee.
- Review the Internal Audit function’s expenses via the DAP Committee.
- Provide input to senior management on the appointment and removal of the Chief Audit Executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards via the DAP Committee.
- Review and provide input to senior management on the Chief Audit Executive’s performance.
- Receive communications from the Head of DAP about the Internal Audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually via the DAP Committee.
- Make appropriate inquiries from senior management and the Head of DAP to determine whether scope or resource limitations are inappropriate.

Chief Audit Executive (Head of DAP) Roles and Responsibilities

Ethics and Professionalism

The Head of DAP will ensure that Internal Auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The Head of DAP will ensure that the Internal Audit function remains free from all conditions that threaten the ability of Internal Auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Head of DAP determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal Auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal Auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, Internal Auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the Authority or its affiliates.
- Initiating or approving transactions external to the Internal Audit function.
- Directing the activities of any Authority employee that is not employed by the Partnership, except to the extent that such employees have been appropriately assigned to Partnership or to assist Internal Auditors.

Internal Auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Head of DAP, Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

Internal Audit Charter for Devon Assurance Partnership (DAP) in Plymouth City Council

The Head of DAP has the responsibility to:

- At least annually, develop a risk-based Internal Audit and Assurance Plan that considers the input of the Audit Committee and Senior Management. Discuss the plan with the Audit Committee and Senior Management and submit the plan to the Audit Committee.
- Communicate the impact of resource limitations on the Internal Audit Plan to the Audit Committee and Senior Management.
- Review and adjust the Internal Audit plan, as necessary, in response to changes in the DCC's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit Committee and senior management if there are significant interim changes to the Internal Audit plan.
- Ensure Internal Audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and requirements of the CIPFA Application Note.
- Follow up on engagement findings and the implementation of action plans and communicate the results of Internal Audit services to the Audit Committee and senior management periodically, and for each engagement as considered appropriate by the CAE.
- Ensure the Internal Audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the Internal Audit mandate.
- Identify and consider trends and emerging issues that could impact DCC and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in Internal Auditing.
- Establish and ensure adherence to methodologies designed to guide the Internal Audit function.
- Ensure adherence to the DCC's relevant policies and procedures unless such policies and procedures conflict with the Internal Audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Head of DAP cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

Communication with the Audit Committee and Senior Management

The Head of DAP will report periodically to the Audit Committee and senior management regarding:

- The Internal Audit function's mandate.
- The Internal Audit plan and performance relative to its plan.
- Internal Audit budget via the DAP Committee.
- Significant revisions to the Internal Audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.

Internal Audit Charter for Devon Assurance Partnership (DAP) in Plymouth City Council

- Results from the quality assurance and improvement program, which include the Internal Audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the Internal Audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the DCC's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to the risk that the Internal Audit function determines may be unacceptable or acceptance of a risk that is beyond the Authorities risk appetite.

Quality Assurance and Improvement Program

The Head of DAP will develop, implement, and maintain a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the Internal Audit function. The program will include external and internal assessments of the Internal Audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the Internal Audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to Internal Auditing. Also, if applicable, the assessment will include plans to address the Internal Audit function's deficiencies and opportunities for improvement.

Annually, the Head of DAP will communicate with the Audit Committee and Senior Management about the Internal Audit function's QAIP, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside DAP; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of Internal Audit services covers the entire breadth of the organisation, including all of the Authorities activities, assets, and personnel. The scope of Internal Audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes within the Authority.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the Internal Audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal Audit engagements may include evaluating whether:

- Risks relating to the achievement of strategic objectives are appropriately identified and managed.
- The actions of the officers, directors, management, employees, and contractors or other relevant parties comply with policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.

Internal Audit Charter for Devon Assurance Partnership (DAP) in Plymouth City Council

- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact on the Authority.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Approved by the Audit Committee at its meeting in March 2026

Acknowledgments/Signatures

Tony Rose

February 2026

Chief Audit Executive - Head of DAP	Date
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Audit Committee Chair	Date
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Chief Executive	Date
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