

## PLYMOUTH CITY COUNCIL

**Subject:** Internal Audit Charter & Strategy 2019/20  
**Committee:** Audit and Governance Committee  
**Date:** 11 March 2019  
**Cabinet Member:** Councillor Lowry  
**CMT Member:** Andrew Hardingham (Service Director Finance)  
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**Ref:** Your ref. AUD/BD  
**Key Decision:** No  
**Part:** I

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### **Purpose of the report:**

Re-affirmation of the Internal Audit Charter and Strategy for 2019-20. The only minor amendments from the Charter and Strategy documents approved by the Audit Committee in March 2018 is to update the titles in both documents to read Audit and Governance Committee and Service Director for Finance and Section 6 – Resources and Skills in the Audit Strategy has been updated (changes highlighted in yellow) following the transfer of the Counter Fraud Team to Devon Audit Partnership.

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.

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## **Corporate 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.

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## **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

None.

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

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

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## **Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Not required.

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## **Recommendations and Reasons for recommended action:**

Members of the Audit and Governance Committee agree the Internal Audit Charter & Strategy for the year 2019/20.

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## **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.

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**Published work / information:**

None

**Background papers:**

None

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**Sign off:**

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Originating SMT Member Andrew Hardingham, Service Director for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes													