

North Tyneside Council

Report to Audit Committee

Date: 16 November 2022

Title: Internal Audit
Charter 2022

Report from Service Area: Resources

Report Author: Richard Dunlop, Interim Chief Internal Auditor (Tel: 643 5738)

Wards affected: All

PART 1

1.1 Purpose:

The purpose of this report is to present Audit Committee with an updated Internal Audit Charter. The Charter meets the requirements of the Public Sector Internal Audit Standards (April 2017) and the related Local Government Application Note. The Authority's previous Internal Audit Charter, published in 2017, covered the internal audit shared services with Northumberland County Council and required updating and refreshing.

1.2 Recommendation:

Audit Committee is asked to agree the updated Internal Audit Charter which is attached as **Appendix A** to this report.

1.3 Council plan and policy framework

The work of Internal Audit and the Audit Committee covers all service responsibilities as identified within the Council Plan.

1.4 Information

- 1.4.1 The Internal Audit Charter is a formal document which brings together internal audit's purpose, authority and responsibility. It is not an annual document, rather a framework and reference document issued as and when required, which also acts as a checklist that all internal audit's functions are properly met.
- 1.4.2 The Internal Audit Charter was approved by Audit Committee in November 2017. The Internal Audit Charter has been reviewed to ensure that the exact requirements of the PSIAS continue to be met and the proposed Internal Audit Charter is attached as **Appendix A**.

1.5 Decision Options:

Audit Committee is asked to approve the updated Internal Audit Charter which is attached as **Appendix A** to this report, and which is a requirement of the Public Sector Internal Audit Standards.

Alternatively, the Committee could request that revisions are made to the document.

1.6 Reasons for recommended option:

This recommendation will allow the Authority to operate in line with legislation, good practice and professional guidance.

1.7 Appendices:

Appendix A: Internal Audit Charter (November 2022)

1.8 Contact officers:

Richard Dunlop (Interim Chief Internal Auditor) Tel: 643 5738

Marc Oldham (Acting Group Assurance Manager) Tel: 643 5711

1.9 Background information:

The following background papers and research reports have been used in the compilation of this report and are available for inspection at the offices of the author.

- (a) Public Sector Internal Audit Standards, Chartered Institute of Public Finance & Accountancy / Institute of Internal Auditors, April 2017 (P) [Public Sector Internal Audit Standards](#)
- (b) Local Government Application Note for the UK Public Sector Internal Audit Standards, Chartered Institute of Public Finance & Accountancy / Institute of Internal Auditors, February 2019 (P)
- (c) Internal Audit Charter, July 2020 (P)
- (d) The Accounts and Audit Regulations 2015, April 2015 (P) [Accounts and Audit Regulations 2015](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

Effective internal audit is an essential part of the Authority's governance arrangements. Internal Audit examines the Authority's systems of internal control, and the economy, efficiency and effectiveness with which resources are deployed. The audit of the Authority's activities promotes good financial and non-financial governance and the importance of value for money. Effective control in these areas reduces the potential for financial loss through fraud, waste and inefficiency.

There are no financial implications arising from the recommendations set out in this report.

2.2 Legal

The Accounts and Audit Regulations 2015 require the Authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The Public Sector Internal Audit Standards and related Local Government Application Note require that the Chief Internal Auditor should prepare and periodically review an Audit Charter for approval by the Board, which is Audit Committee.

2.3 Consultation/community engagement

This report advises Audit Committee, as the recognised 'board' under the Public Sector Internal Audit Standards, of the Internal Audit Charter, in conformance with those standards. The views of Audit Committee will be considered during presentation of this item at the Audit Committee meeting.

2.4 Human rights

There are no human rights issues arising from this report.

2.5 Equalities and diversity

There are no equality and diversity issues arising from this report.

2.6 Risk management

There are no risks identified with this Report.

2.7 Crime and disorder

There are no specific crime and disorder issues arising from this report. The work of Internal Audit is a key strand in the Authority's counter-fraud arrangements, as set out in the Strategic Audit Plan.

2.8 Environment and sustainability

There are no environment and sustainability issues arising from this report.

Report authors Richard Dunlop & Marc Oldham