

# Harborough District Council

## Report to the Audit & Standards Committee 7 September 2022



<b>Title:</b>	<b>Internal Audit Charter and Strategy</b>
<b>Status:</b>	Public
<b>Key Decision:</b>	No
<b>Report Author:</b>	Mr Clive Mason. Director; Finance, ICT and Assets <i>On behalf of Rachel Ashley-Caunt, Chief Internal Auditor, North Northamptonshire Council</i>
<b>Portfolio Holder:</b>	Cllr James Hallam
<b>Appendices:</b>	Appendix A – Internal Audit Charter and Strategy

### Executive Summary

The Audit & Standards Committee is responsible for overseeing the delivery of the Internal Audit service. The Internal Audit Charter and Strategy sets out how the Council's Internal Audit service is delivered and how it complies with statutory requirements and professional standards. In line with the Public Sector Internal Audit Standards, the Charter should be reviewed and approved by the Audit & Standards Committee on an annual basis.

### Recommendations

**The committee reviews and approves the Internal Audit Charter and Strategy.**

### Reasons for Recommendations

To support the Audit & Standards Committee's role in ensuring good governance, strong financial management and an effective internal control environment. Additionally, to oversee the independence, objectivity, performance, and professionalism of internal audit.

## 1. Purpose of Report

- 1.1 To seek annual approval of the Internal Audit Charter and Strategy.

## 2. Background



## Internal Audit

- 2.1. The Council's internal audit service is provided, under delegation, by North Northamptonshire Council. The Audit & Standards Committee (ASC) agreed a new delegation at the meeting held on 2<sup>nd</sup> February 2022 (link to report [here](#)).
- 2.2. The Internal Audit Charter and Strategy has been reviewed and refreshed to align with that adopted by North Northamptonshire Council, and is consistent with the Public Sector Internal Audit Standards.

### 3. Detail

- 3.1 The content of the Charter and Strategy is aligned with the Public Sector Internal Audit Standards and establishes Internal Audit activity's position within the Council and reporting lines. The Charter confirms that Internal Audit is authorised to access records, personnel and physical property relevant to the performance of audit work and defines the scope of Internal Audit activities.
- 3.2 The content of the Charter and Strategy is generally consistent with that approved by the Audit and Standards Committee in 2021. Whilst no amendments have been proposed to the general audit approach or strategy, the content of the document has been reviewed to ensure that it aligns with best practice and is presented in a clear format. Key amendments include:
  - the addition of an executive summary;
  - inclusion of the Core Principles of Professional Practice; and
  - confirmation that all members of the Internal Audit service sign acceptance of the Internal Auditor's Code of Ethics on an annual basis.

### 4. Implications of Decisions

- 4.1. **Corporate Priorities**; internal audit provides assurance to the Council in respect of internal control and other governance issues, which directly supports the delivery of the Council's corporate priorities.
- 4.2. **Financial**; there are no direct financial implications arising from this report.
- 4.3. **Legal**; there are no direct legal implications arising from this report.
- 4.4. **Policy**; there are no direct policy implications arising from this report.
- 4.5. **Environmental Implications including contributions to achieving a net zero carbon Council by 2030**; there are no direct environmental implications arising from this report.
- 4.6. **Risk Management**; there are no direct risk management implications arising from this report. However, members must not think that the audit approach is "risk-based" and an effective internal audit service is one means by which the Council is able to effectively manage risk.

- 4.7. **Equalities Impact;** there are no direct equalities implications arising from the report.
- 4.8. **Data Protection;** there are no direct data protection implications arising from the report.
- 5. **Summary of Consultation and Outcome**
  - 5.1 The Council's senior management have been consulted on the content of the Charter and Strategy. This has not highlighted any issues of concern.
- 6. **Alternative Options Considered**
  - 6.1 No alternative options considered as none are appropriate.
- 7. **Background papers**
  - 7.1 None