

REPORT TO:		Audit Committee	
DATE:		18 July 2022	
PORTFOLIO:		Cllr Joyce Plummer - Resources	
REPORT AUTHOR:		Mark Beard – Head of Audit & Investigations	
TITLE OF REPORT:		INTERNAL AUDIT CHARTER	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	Options	If yes, date of publication:	n/a

1. **Purpose of Report**

- 1.1 To inform and update Audit Committee on the revised Internal Audit Charter which has been updated to reflect both good working practices and also to ensure it remains aligned with the Public Sector Internal Audit Standards (PSIAS).

2. **Recommendations**

- 2.1 I recommend that Audit Committee:
- note the content of this report for informational purposes.

3. **Reasons for Recommendations and Background**

- 3.1 The PSIAS are what Internal Audit works within and must comply with and state that an Internal Audit function must have in Internal Audit Charter.
- 3.2 The Internal Audit Charter establishes the framework within which Hyndburn Borough Council's Internal Audit Service operates to best serve the council and to meet its professional obligations under the PSIAS.
- 3.3 The previous version of the Internal Audit Charter was adopted in 2017 and this 2022 version replaces this and has been updated to reflect current working practices by the Internal Audit Service and also ensure that it remains aligned to the requirements of the PSIAS.
- 3.4 The Internal Audit Charter covers:-
- Relevant Regulations and Interpretation
 - Definitions

- Mission & Core Principles
- Responsibilities
- Independence, Objectivity and Integrity
- Reporting Lines and Relationships
- Access to Information
- Internal Audit Resources
- Competency
- Quality Assurance and Improvement
- Investigations and Counter-Fraud
- Engagement Planning
- Performing the Engagement
- Communicating Results
- Monitoring Progress of Actions Agreed
- Responsibilities in relation to the Internal Audit Service

3.5 The areas contained within the Internal Audit Charter link back into the PSIAS requirements.

4. Alternative Options considered and Reasons for Rejection

4.1 There are no alternative options as Internal Audit must have an Internal Audit Charter in order to conform to the PSIAS.

5. Consultations

5.1 No consultations required.

6. Implications

Financial implications (including any future financial commitments for the Council)	There are no financial implications arising from this report
Legal and human rights implications	There are no legal or human rights implications arising from this report.
Assessment of risk	Risks are taken into consideration during the audit process itself, there is no direct risk implication from this report.
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	A Customer First Analysis is not required as the Internal Audit Charter is not setting new policy for the audit function or the Council. It documents the working practices expected to enable compliance with the PSIAS.

**7. Local Government (Access to Information) Act 1985:
List of Background Papers**

- 7.1 No background papers were necessary for the preparation of this report.