

Allerdale Borough Council

Audit Committee – 29 June 2021

Audit Charter Report

Portfolio holder	Councillor Colin Sharpe
Report from	Paula McKenzie
Wards affected	None specifically
Is this a key decision	No

1.0 The reason for the decision

- 1.1 To set out how we intend to deliver an Internal Audit Service in line with the Public Sector Internal Auditing Standards (PSIAS) 1 April 2017.

2.0 Recommendations

- 2.1 To accept the Assurance Risk and Audit Charter.

3.0 Background and Introduction

- 3.1 The PSIAS were revised and introduced 1 April 2017. The review was to interpret the Chartered Institute of Internal Audit Standards to achieve consistent application in Public Sector. These standards clarify the position in relation to additional roles and responsibilities undertaken by Internal Audit and these should be defined with the Audit Charter alongside how any impairments to independence and objectivity will be overcome.

4.0 Content (to include alternative options considered)

- 4.1 The Public Sector Internal Auditing Standard 1000, Purpose, Authority and Responsibility states:

‘The internal audit charter is a formal document that defines the internal audit activity’s purpose, authority and responsibility. The internal audit charter establishes

the internal audit activity's position within the organisation, including the nature of the chief audit executive's functional reporting relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board'

At Allerdale Borough Council the roles and responsibilities of the 'board' are carried out by the Audit Committee, the role of 'senior management' is carried out by the Senior Management Team and the Chief Audit Executive is the Assurance, Risk and Audit Manager.

The Assurance Risk and Audit Charter has been updated to reflect these responsibilities. (See appendix to this report)

5.0 Implications and Impact

5.1 Contribution to Council Strategy Priorities, Outputs and Outcomes

Acceptance of the Assurance, Risk and Audit Team's work provides a direct and indirect contribution to the achievement of the Council's priorities, in accordance with the Assurance, Risk and Audit Service Plan.

5.2 Finance/Resource implications

The charter supports the delivery of Internal Audit resource at Allerdale Borough Council.

5.3 Legal and governance implications

This charter has been completed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS).

5.4 Risk analysis

This contributes to the effectiveness of the Assurance Risk and Audit Team in Enterprise-wide Risk Management.

5.5 Equality impacts

Equality Impact Analysis considered – not required.

5.6 Health and Safety impacts

None.

5.7 Health, wellbeing and community safety impacts

None.

5.8 Environmental/sustainability impacts

None.

5.9 Other significant implications

None.

Appendices attached to this report

Appendix number	Title of appendix
1	The Internal Audit Charter

Report author(s) and contact officer(s):

Paula McKenzie

Assurance Risk and Audit Officer

paula.mckenzie@allerdale.gov.uk

Tel no. 01900 702987