

INTERNAL AUDIT CHARTER AND INTERNAL AUDIT MANUAL

1. SUMMARY

- 1.1 This report outlines the proposed changes to the Internal Audit Charter and Internal Audit Manual. Both have been updated to reflect minor changes in the working practices within Internal Audit.

2. RECOMMENDATIONS

- 2.1 To approve the amended Internal Audit Charter (Appendix 1).
- 2.2 To approve the amended Internal Audit Manual (Appendix 2).

3.0 DETAIL.

- 3.1 Under the Public Sector Internal Audit Standards (PSIAS) Internal Audit is required to prepare an Internal Audit Charter, consistent with the Mission of Internal Audit that defines internal audit's purpose, authority and responsibility.
- 3.2 However just having a Charter is not sufficient to comply with the requirements of PSIAS. The requirement for a Charter is just one element of PSIAS. Full compliance requires the adoption of a range of principles and working practices which are closely aligned to the requirements as set out in PSIAS.
- 3.3 Whilst there is no written requirement, within PSIAS, for an Internal Audit Manual to be created, in general, it is considered good practice to develop a manual to help guide the overall management and administration of the department and the audit approach adopted. Given the mandatory nature of PSIAS it also makes sense for that manual to be consistent with the requirements of PSIAS.
- 3.4 The Charter and Manual were both fully revised by the CIA in 2018 and subject to review and Committee approval in March 2019 and March 2020. As a consequence the amendments made in this 2021 review are very minor in nature and summarised in the table below:

Internal Audit Charter

Page	Para	Summary of change
Front	N/A	Date updated.
3	6	Amended to reflect that S95 Officer is now Kirsty Flanagan as

		Executive Director rather than as Head of Financial Services
4	10	Final sentence added to reflect that Internal Audit are to be the new HSCP internal auditors from 1 April 2021.
5	19	Removed reference to Head of Financial Services being the S95 Officer
6	30	Updated text which previously said the Counter fraud team was established 1 April 2020 to reflect that this was delayed due to COVID
8	36	Added last sentence regarding social work relevant audit reports being reported to HSCP Audit and Risk Committee
8	42	Changed approval date to this Committee

Internal Audit Manual

Page	Para	Summary of change
Front	N/A	Date updated.
4	6	Amended to reflect that S95 Officer is now Kirsty Flanagan as Executive Director rather than as Head of Financial Services

4.0 CONCLUSION

- 4.1 The Internal Audit Team has updated the Internal Audit Charter and Internal Audit Manual in line with the requirements of the PSIAS.

5.0 IMPLICATIONS

- 5.1 Policy - Internal Audit continues to adopt a risk based approach to activity
- 5.2 Financial -None
- 5.3 Legal -None
- 5.4 HR - None
- 5.5 Fairer Scotland Duty - None
- 5.5.1 Equalities – None
- 5.5.2 Socio-Economic Duty – None
- 5.5.3 Islands Duty - None
- 5.6 Risk – A consistent audit approach helps reduce the Council’s risk exposure
- 5.7 Customer Service - None

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For further information please contact: Internal Audit (01436 657694)

Appendices:

- 1. Internal Audit Charter**
- 2. Internal Audit Manual**