

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 Chief Internal Auditor (CIA) in 2018 and subject to annual review and Committee approval in each subsequent March. As a consequence the amendments made in this 2023 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.
6	30	Amended to reflect that the Counter Fraud Team are

		permanent
7	33	Paragraph updated to reflect new updated approach to the PRD process and to confirm this will be undertaken on an annual basis.
8	42	Changed approval date to this Committee

Internal Audit Manual

Page	Para	Summary of change
Front	N/A	Date updated.
4	6	In terms of consistency reflect that Douglas Hendry is both an Executive Director and Monitoring Officer
7	20	Paragraph updated to reflect new approach to the PRD process and to confirm that this will be undertaken on an annual basis
11	46	To amend the date to reflect the current timeframe of reference
12	52	To insert missing word 'of' after achievement in the first bullet point
16	94	Removal of previous reference to Internal Audit database as 'Follow Up' actions are now recorded on SharePoint

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 Climate Change - None
- 5.7 Risk – A consistent audit approach helps reduce the Council's risk exposure
- 5.8 Customer Service - None

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16 March 2023

For further information please contact: Internal Audit (01436 604108)

Appendices:

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