

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) and subject to annual review and Committee approval in each subsequent March. As a consequence the amendments made in this 2024 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	1	Hyperlinks to Local Authority accounts (Scotland) Regulations

		2014 and Public Sector Internal Audit Standards added.
5	15	Hyperlink to 7 Principles of Public Life added.
7	33	Wording updated to acknowledge that the revised employee career conversations process has been fully implemented and embedded.
8	42	Updated approval date.

Internal Audit Manual

Page	Para	Summary of change
Front	N/A	Date updated.
4	1	Hyperlinks to Local Authority accounts (Scotland) Regulations 2014 and Public Sector Internal Audit Standards added.
6	16	Paragraph updated to include the word 'audit' in the context of 'suitable experience'.
7	20	Word "new" removed to reflect the employee career conversations process has been fully implemented and embedded.
9	29	"Strategic Management Team" added to provide full text prior to use of the abbreviation.
9	34	Replace reference to Corporate or Service Plan at bullet point five with Corporate Plan and Corporate Improvement Plan to take cognisance of internal changes within the Council.
11	46	Update to the financial year 2024-25.
15	85	To make reference to the specific requirements for 'exemptions' which can be applied under the Local Government (Scotland) Act 1973 under Schedule 7A. Addition of hyperlink to the full legislation.
16	90	Addition of "relevant Head of Service" at 3 rd bullet point.

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 – protected characteristics – None
- 5.5.2 Socio-economic Duty – None
- 5.5.3 Islands – 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
- 5.9 The Rights of the Child (UNCRC) – None

Paul Macaskill

Chief Internal Auditor
14 March 2024

For further information please contact: Internal Audit (01546 604108)

Appendices:

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