

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. A comprehensive review and update has been required to meet the requirements of new Global Internal Audit Standards.

2. RECOMMENDATIONS

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

3.0 DETAIL.

- 3.1 Under the new Global Internal Audit Standards (GIAS) Internal Audit is required to prepare an Internal Audit Charter, consistent with the 'Purpose Statement' of Internal Audit that defines internal audit's purpose, mandate, authority and responsibility. In addition, requires the commitment of the Council's internal audit function to adhere to the requirements of the GIAS.
- 3.2 However, just having a Charter is not sufficient to comply with the requirements of GIAS. The requirement for a Charter is just one element of GIAS. Full compliance requires the adoption of a range of principles and working practices which are closely aligned to the requirements as set out in GIAS.
- 3.3 Whilst there is no written requirement, within GIAS, 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 function and the audit approach adopted. Given the mandatory nature of GIAS it also makes sense for that manual to be consistent with the requirements of GIAS.
- 3.4 Whilst both the Charter and Audit Manual have been updated to reflect the requirements of the GIAS as far as possible, these documents will require annual review and updates to reflect further changes and fine tuning of our approach to the new GIAS.

4.0 CONCLUSION

- 4.1 The Internal Audit Team have comprehensively updated the Internal Audit Charter and Internal Audit Manual in line with the requirements of the GIAS.

This will both demonstrate compliance but also provide appropriate guidance to Internal Audit staff in the application of the Standards within their day to day duties.

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

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Appendices:

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