

**INTERNAL AUDIT CHARTER AND INTERNAL AUDIT MANUAL**

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**1. EXECUTIVE SUMMARY**

- 1.1 This report presents minor updates to the Internal Audit Charter and Internal Audit Manual, following a comprehensive revision in 2025 to align with the Global Internal Audit Standards (GIAS). While the core documents continue to reflect full compliance with GIAS, the 2026 review has introduced only limited amendments.
- 1.2 Under GIAS, the Internal Audit Charter is a mandatory requirement defining the purpose, authority, mandate and responsibilities of the Internal Audit function, as well as the Council's commitment to the standards. Although an Internal Audit Manual is not formally required by GIAS, it remains recognised good practice, providing structured guidance on the management of the service and ensuring alignment with the standards.
- 1.3 The 2026 updates are minor and primarily administrative. Changes include updates to dates, replacement of references to the former Strategic Management Team (SMT) with the Strategic Leadership Team (SLT) to reflect new governance arrangements, removal of references to Departmental Management Teams within the Manual, and various grammatical adjustments.
- 1.4 Both documents continue to undergo annual review and committee approval, ensuring they remain accurate, compliant and reflective of the Council's governance structure.
- 1.5 In conclusion, the Internal Audit team has completed its annual review in accordance with GIAS requirements, ensuring that both the Charter and Manual remain compliant and provide clear operational guidance for the audit function.

## 2. SUMMARY

- 2.1 This report outlines minor updates to the Internal Audit Charter and Internal Audit Manual. A comprehensive review and update was undertaken in 2025 to meet the requirements of new Global Internal Audit Standards (GIAS).

## 3. RECOMMENDATIONS

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

## 4.0 DETAIL.

- 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 The Charter and Manual were comprehensively updated in 2025 to reflect the requirements of the new GIAS and revised by the Chief Internal Auditor (CIA) in 2026. Both documents are subject to annual review and committee approval in each subsequent March. As a consequence, the amendments made in this 2026 review are minor in nature and summarised below:

### Internal Audit Charter

Page	Para	Summary of change
Front	N/A	Date updated.
Various	Various	Change of Strategic Management Team (SMT) to Strategic Leadership Team (SLT) to reflect revised governance arrangements
Various	Various	Minor grammatical adjustments

## Internal Audit Manual

<b>Page</b>	<b>Para</b>	<b>Summary of change</b>
Front	N/A	Date updated.
Various	Various	Change of Strategic Management Team (SMT) to Strategic Leadership Team (SLT) and removal of Departmental Management Teams (DMTs) to reflect revised governance arrangements
Various	Various	Minor grammatical adjustments

### **5.0 CONCLUSION**

5.1 The Internal Audit Team have reviewed the Internal Audit Charter and Internal Audit Manual in line with the requirements of the GIAS. This demonstrates compliance but also provides appropriate guidance to Internal Audit staff in the application of the GIAS within their day to day duties.

### **6.0 IMPLICATIONS**

- 6.1 Policy – Internal Audit continues to adopt a risk based approach to activity
- 6.2 Financial – None
- 6.3 Legal – None
- 6.4 HR – None
- 6.5 Customer Service – None
- 6.6 Risk – A consistent audit approach helps reduce the Council’s risk exposure
- 6.7 Climate Change - None
- 6.8 Fairer Scotland Duty – None
- 6.9 Equalities – protected characteristics – None
- 6.10 Consumer Duty – None
- 6.11 Island Communities – None
- 6.12 Children’s rights and Wellbeing – None

**Paul Macaskill**  
**Chief Internal Auditor**  
**12 March 2026**

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

#### **Appendices:**

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