

**WEST DUNBARTONSHIRE COUNCIL****Report by Chief Officer - Resources****Audit Committee: 3 May 2023**

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**Subject: Review of Internal Audit Charter****1. Purpose**

- 1.1 The purpose of this report is to advise Members that a review of the Internal Audit Charter has been undertaken and the Charter updated to more closely reflect the requirements of Standard 1000 of the Public Sector Internal Audit Standards (PSIAS).

**2. Recommendations**

- 2.1 It is recommended that Members approve the Internal Audit Charter.

**3. Background**

- 3.1 The PSIAS are based on the mandatory elements of the International Professional Practices Framework (IPPF) of the Global Institute of Internal Auditors (IIA) and are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector. The Standards were revised on 1 April 2017 to reflect the latest changes in the IPPF.
- 3.2 Standard 1000 of the PSIAS sets out the requirement for an Internal Audit Charter which is a formal document that defines the Internal Audit activity's purpose, authority and responsibility and establishes the Internal Audit activity's position within the organisation. Final approval of the Internal Audit Charter resides with the Audit Committee.
- 3.3 The Internal Audit Charter requires to be subject to a formal review every 5 years.
- 4. Main Issues**
- 4.1 The Internal Audit Charter was last approved by the Audit Committee in June 2018. This report fulfils the requirement for a formal review of the Charter every 5 years.
- 4.2 Although there were no substantive changes required, the Internal Audit Charter has been updated to more closely reflect the requirements of Standard 1000 and the updated Internal Audit Charter is set out at Appendix 1.

**4.3** In relation to the quality assurance and improvement programme, a self-assessment is undertaken on an annual basis by the Shared Service Manager – Audit & Fraud to ensure compliance with the Public Sector Internal Audit Standards.

**4.4** In relation to the formal external assessment, West Dunbartonshire Council participates in a validated self-assessment peer review process through the Scottish Local Authorities Chief Internal Auditors Group. The peer review process was scheduled for West Dunbartonshire Council in 2022 however this has not yet taken place. There was a delay to the external assessment programme across all Scottish Local Authorities as a result of COVID. This has been escalated through the Chief Internal Auditors Group and revised dates are being scheduled for all external assessments which have been delayed.

## **5. People Implications**

**5.1** There are no personnel issues.

## **6. Financial and Procurement Implications**

**6.1** There are no financial implications.

## **7. Risk Analysis**

**7.1** The Charter clarifies the purpose of the Internal Audit function and details its principal roles and responsibilities. The document largely codifies existing practice and does not alter the existing role of Internal Audit or signify any change in how Internal Audit will discharge its role. Accordingly, there are no significant new developments or issues arising from the review of the Internal Audit Charter which require to be highlighted.

## **8. Equalities Impact Assessment (EIA)**

**8.1** There are no issues.

## **9. Consultation**

**9.1** This report has been subject to consultation with appropriate Chief Officers.

## **10. Strategic Assessment**

**10.1** This report relates to strong corporate governance.

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**Laurence Slavin**  
**Chief Officer - Resources**  
**Date: 31 March 2023**

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**Appendices:** Appendix 1 – Internal Audit Charter

**Background Papers:** Report to Audit and Performance Review Committee on 13 June 2018 (Internal Audit Charter Update)  
Public Sector Internal Audit Standards

**Wards Affected:** All Wards