

Internal Audit Charter 2023

| | Amendment | Rationale |
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| 1 | <p>[Page 3] Additional wording added: <i>Carmarthenshire County Council's Internal Audit activity seeks to be compliant with the PSIAS and the Local Government Application Note (LGAN), which forms a foundation for an effective Internal Audit service and encompasses the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). Through compliance with these standards, all members of the Internal Audit team adhere to the Code of Ethics stipulated within the Standards. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.</i></p> | <p>Identified in External Quality Assessment (EQA) that the Charter did not previously refer to the mandatory nature of the Public Sector Internal Audit Standards (PSIAS).</p> |
| 2 | <p>[Page 3] <u>Amendments to the Mission of Internal Audit</u> Additional wording added: Mission Statement Removal of words: <i>The Public Sector Internal Audit Standards (PSIAS), published in April 2013, state the mission of Internal Audit as being:</i></p> | <p>The EQA assessor felt that the Charter reflected the mission only as being a definition of the mission by PSIAS, rather than the mission being owned by Carmarthenshire County Council. (Mission Statement also referred to again on page 6 of the Charter)</p> |
| 3 | <p>[Page 5] Additional wording added:</p> <ul style="list-style-type: none"> - <i>Performing consulting and advisory services related to governance, risk management and control, as appropriate for the Council.</i> - <i>Evaluating specific operations at the request of the Governance & Audit Committee or management as appropriate.</i> | <p>The PSIAS require that the nature of consulting services be defined in the Charter. The additional wording has also been included to reflect current practice.</p> |
| 4 | <p>[Page 5] Amendment to wording: <i>The Head of Revenues and Financial Compliance is CIPFA qualified (FCPFA) and the Principal Auditor is ACCA qualified (FCCA); one member of the team is CISA (Certified Information System Auditor) qualified, and</i></p> | <p>The EQA assessor felt that the Charter could be enhanced by providing more information on the qualification status of the Internal Audit team.</p> |

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| | <p><i>most other Auditors are qualified accounting technicians (AAT).</i></p> <p><i>Ongoing development and training of Auditors is fundamental to the delivery of an effective and professional Internal Audit service and is achieved by accessing periodic relevant training events and courses.</i></p> <p>[Previously read: The team comprises of professionally qualified and part qualified Accountants and Auditors (CIPFA, ACCA, and AAT).]</p> | |
| 5 | <p>[Page 6]</p> <p>Additional wording added:</p> <p><i>PSIAS Standard 1112 requires that where the Chief Audit Executive (CAE) has roles and/or responsibilities that fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity. To mitigate against impairments to independence or objectivity, there is a protocol in place to ensure that the Chief Audit Executive has no involvement in Internal Audit reviews that are undertaken on areas within the Chief Audit Executive's responsibility. Such reviews are managed by the Principal Auditor, with the Head of Financial Services, who is outside of the Internal Audit activity, having oversight of all such reviews.</i></p> | <p>Identified in the EQA that the Charter did not previously refer to the protocol in place for avoiding conflicts of interest where the CAE has roles outside of Internal Audit.</p> <p>The wording also now reflects the new practice of the Head of Financial Services having oversight of reviews on areas managed by the CAE.</p> |
| 6 | <p>[Page 6]</p> <p>New section added:</p> <p>Core Principles</p> | <p>The EQA assessor felt that specific mention of the term 'due professional care' was required in the Charter.</p> <p>To further enhance the content, the Core Principles as a whole have been included, rather than only the term 'due professional care'.</p> |
| 7 | <p>[Page 7]</p> <p>New wording replaced existing wording of:</p> <p><i>The Internal Audit Service operates in accordance with the PSIAS by:</i></p> <ul style="list-style-type: none"> - <i>Ensuring that all Internal Auditors conform to the Code of Ethics principles of integrity, objectivity, confidentiality and competency.</i> | <p>To enhance the content of the Charter, details of the Code of Ethics has been included.</p> |
| 8 | <p>[Page 7]</p> <p>Additional wording added:</p> | <p>To reflect current practice.</p> |

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| | <p><i>...as well as risks identified in Departmental Risk Registers...</i></p> <p>New wording replaced existing wording of: <i>Internal Audit is committed to providing a review of all the Authority's systems over the term of the Audit Plan. Major systems (fundamental systems) are examined bi-annually.</i></p> | |
| 9 | <p>[Page 9] Additional wording added: <i>At the conclusion of each review, clients are requested to complete a feedback survey. Results of these surveys are used to review how the Internal Audit function is performing and establish any areas where improvement is required.</i></p> | <p>Feedback surveys have recently been introduced; the Charter has been updated to reflect this.</p> |