

Audit Committee Meeting	
Meeting Date	23 April 2025
Report Title	Internal Audit Charter and Internal Audit Strategy
EMT Lead	Lisa Fillery – Director of Resources
Head of Service	Katherine Woodward – Head of Audit Partnership
Lead Officer	Katherine Woodward – Head of Audit Partnership Cath Byford – Audit Delivery Manager
Classification	Open
Recommendations	1. Approve the Internal Audit Charter 2. Approve the Internal Audit Strategy

1 Purpose of Report and Executive Summary

- 1.1 The Council is required under the Accounts and Audit Regulations 2015 to maintain an adequate and effective Internal Audit Service. The Internal Audit services acts in accordance with the Global Internal Audit Standards (GIAS), the Public Sector Application Notes and our local Internal Audit Charter.
- 1.2 Internal Audit is responsible for the Internal Audit Charter and Internal Audit Strategy which are in place to support the delivery of the function across the organisation. Following the introduction of the Global Internal Audit Standards (GIAS), a refresh and overhaul of these documents is required.

2 Background

- 2.1 The Global Internal Audit Standards (the “Standards”) came into effect in January 2025 and the Public Sector Application Note to support implementation of the standards is applicable from April 2025.
- 2.2 The new standards cover 5 “Domains” and include 15 Principles. They have been refreshed to be more relevant in the current climate and are now applicable across all internal audit professions globally. These new standards have placed a greater emphasis on senior management and the Audit Governance and Standards Committee in supporting the internal audit function throughout the organisation.
- 2.3 Domain I defines the Purpose of Internal Auditing,
Domain II details the Ethics and Professionalism requirements
Domain III is Governing the Internal Audit Function
Domain IV is Managing the Internal Audit Function and
Domain V is Performing the Internal Audit Service.

- 2.4 The **Internal Audit Charter** is contained within Domain III, Principle 6.2. The Internal Audit Charter was last updated in 2021 and required a significant overhaul to comply with the current standards as set out below:

The Chief Audit Executive (CAE) must develop and maintain an internal audit charter that specifies, at a minimum, the internal audit function's:

- *Purpose of Internal Audit*
- *Commitment to adhering to the Global Internal Audit Standards*
- *Mandate, including scope and types of service, the committee's responsibilities and expectations regarding management's support of the internal audit function*
- *Organisational position and reporting relationships*

- 2.5 The **Internal Audit Strategy** is considered in Domain IV, principle 9.2. This is a new requirement, and the standards set out the following requirements for development of the strategy:

The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organisation and aligns with the expectations of the committee, senior management and other key stakeholders.

The internal audit strategy is a plan of action designed to achieve a long term or overall objective. The internal audit strategy must include a vision, strategic objectives and supporting initiatives for the internal audit function. An internal audit strategy helps to guide the internal audit function towards the fulfilment of the internal audit mandate.

3 Proposals

- 3.1 Having an internal audit charter and an internal audit strategy is a duty set by the Standards. Approving this update would affirm the Committee's continued support for the independence, objectivity and quality of the internal audit service.
- 3.2 We recommend Members approve the attached Internal Audit Charter and Internal Audit Strategy. This continues to reflect best practice and fully and accurately sets out the requirements of the Global Internal Audit Standards.

4 Alternative Options Considered and Rejected

- 4.1 If the Committee does not approve these documents, that would begin a period of discussion on any concerns expressed with a view to addressing those concerns in a refreshed Charter to come before the Committee at a later date. Until that point, the 2021 version of the Charter would remain in place and we would not have an internal audit strategy in place.

5 Consultation Undertaken or Proposed

- 5.1 We consult with Managers, Heads of Service and Directors throughout the year as we undertake our work. We have also provided training sessions on the implications of the new Global Internal Audit Standards and provided an opportunity to comment and review the attached documents.

6 Implications

Issue	Implications
Corporate Plan	Mid Kent Audit's work supports all Council activity and the wider Corporate Plan in evaluating governance
Financial, Resource and Property	The work internal audit does on behalf of Swale Borough Council, is carried out within agreed resources.
Legal, Statutory and Procurement	The Council is required by Regulation to operate an internal audit service, complying with the relevant standards.
Crime and Disorder	No direct implications
Environment and Climate/Ecological Emergency	No direct implications
Health and Wellbeing	No direct implications
Safeguarding of Children, Young People and Vulnerable Adults	No direct implications
Risk Management and Health and Safety	The risks associated with this proposal, including the risks if the Council does not act, have been considered in line with the Council's Risk Management Framework. We are satisfied that risks are within the Council's appetite and will be managed as per the Framework.
Equality and Diversity	No direct implications
Privacy and Data Protection	We handled all information collected by the service in line with relevant data protection policies.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Internal Audit Charter
- Appendix II: Internal Audit Strategy

8 Background Papers

The appendix includes reference to the Global Internal Audit Standards. Further background papers, including detailed resource calculations, risk assessments and notes from consultation meetings can be made available on request.