

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	23/03/2021
<b>Subject: Internal Audit Charter</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: Head of Audit and Risk Management</b>	<b>For Decision</b>
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### **Summary**

Under the Public Sector Internal Audit Standards (PSIAS), all internal audit services operating within the public sector are required to produce an Internal Audit Charter. This Charter sets out the purpose, authority and responsibility of the organisation's Internal Audit function, in accordance with the UK Public Sector Internal Audit Standards (2017) and the CIPFA Local Government Application Note (LGAN).

The Charter is reviewed annually and presented to the Audit and Risk Management Committee for approval, the structure of the Charter has been amended and the text streamlined to result in a more concise document.

### **Recommendation(s)**

Members are asked to approve the updated City of London Internal Audit Charter.

### **Main Report**

#### **Background**

1. The Public Sector Internal Audit Standards (PSIAS) require all Internal Audit services operating within the public sector to produce an Internal Audit Charter. The Charter should be reviewed annually and presented to the Audit and Risk Management Committee for approval.

#### **Current Position**

2. The Internal Audit Charter has been reviewed against the criteria specified in the latest version of the PSIAS and current operational practice. The review resulted in no material amendments although changes have been made to the format and structure of the document. Much of the key text has been re-drafted, resulting in a more concise document. The updated Internal Audit Charter is included as

Appendix 1 to this report, with a marked up copy of the previous version attached as Appendix 2.

### **Corporate & Strategic Implications**

3. The work of Internal Audit is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks. Provision of an effective Internal Audit is a mandatory requirement for the City of London Corporation.

### **Conclusion**

4. The Internal Audit Charter has been reviewed in accordance with the PSIAS, the Charter is now presented to Members for approval.
  - Appendix 1 – Internal Audit Charter
  - Appendix 2 – Internal Audit Charter 2020 – Marked up copy

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