

COMMITTEE	GOVERNANCE AND COMMITTEE
DATE	22 MAY 2025
TITLE	INTERNAL AUDIT CHARTER
PURPOSE	TO PRESENT THE INTERNAL AUDIT MANDATE AND CHARTER TO THE COMMITTEE
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ACTION	TO APPROVE THE CHARTER

1. INTRODUCTION

- 1.1 The Relevant Internal Audit Standard Setters (RIASS) have determined that the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA) are a suitable basis for the practice of internal auditing in the UK public sector, subject to further requirements as set out in the Application Note – Global Internal Audit Standards in the UK Public Sector.
- 1.2 The Application Note provides UK public sector-specific context, interpretation of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which the RIASS consider essential for the practice of internal audit in the UK public sector.
- 1.3 CIPFA has developed the Code of Practice for the Governance of Internal Audit in UK Local Government (the Code) to support authorities in establishing their internal audit arrangements and providing oversight and support for internal audit. It is aimed at those responsible for ensuring effective governance arrangements for internal audit. In Cyngor Gwynedd, that responsibility is that of the Governance and Audit Committee.
- 1.4 The Code states “the chief audit executive”¹ has a responsibility to prepare a charter that conforms with GIAS in the UK public sector. The audit committee² should be satisfied that it covers the governance arrangements for internal audit. It must include the mandate derived from the regulations³, plus any additional agreed mandate, and include internal audit’s reporting line to the committee.
- 1.5 The internal audit mandate provide details on the internal audit’s function’s authority, role and responsibilities.

¹ Audit Manager

² Governance and Audit Committee

³ The Accounts and Audit Regulations (Wales) 2014

- 1.6 The internal audit charter is a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of services and other specifications.
- 1.7 The Charter sets out the arrangements the internal audit function needs to achieve its purpose. Internal audit's role include:
- supporting the delivery of the authority's strategic objectives by providing risk-based and objective assurance on the adequacy and effectiveness of governance, risk management and internal controls
 - championing good practice in governance through assurance, advice and contributing to the authority's annual governance review
 - advising on governance, risk management and internal control arrangements for major projects, programmes and system changes
 - access to the authority's interests in collaborative and arm's-length arrangement
- 1.8 The Global Internal Audit Standards stipulate several key elements that should be included in an internal audit charter. These elements ensure that the internal audit function is clearly defined and operates effectively within an organisation. The main components are:

Mandate: which clearly states the purpose and mission of the internal audit function.

Definitions: definition of the terms 'board' and 'senior management', for the purposes of the internal audit function.

Organisational Position: defines internal audit's position within the organisation, ensuring it has sufficient authority and independence which includes unrestricted access to senior management and the board.

Reporting Relationships: specify to whom the internal audit function reports, and the Chief Audit Executive's functional reporting relationship with the board.

Scope of Work: Outline the range of activities and services provided by the internal audit function, including assurance and consulting services .

Types of Services: Detail the specific types of audits and reviews the internal audit function will perform.

Authority: Grant the internal audit function access to all necessary records, personnel, and physical properties to perform its duties effectively.

Professional Standards: Commit to adhering to the IIA's standards and code of ethics.

Quality Assurance and Improvement: Include provisions for ongoing quality assurance and improvement programs to maintain high standards of performance.

2. RECOMMENDATION

- 2.1 The Governance and Audit Committee is asked to receive and approve the contents of the Internal Audit Mandate and Charter, to approve it, and support Internal Audit in its undertakings.