

Report title: Internal Audit Charter	
Report to: Audit, Governance and Standards Committee	
Report author: Paula Clowes – Head of Assurance	
Date: 22 March 2021	For: Approval
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County Divisions affected: All Essex	

1. Purpose of Report

The Internal Audit Charter is a formal document that defines Internal Audit's purpose, authority, responsibility and position within Essex County Council (ECC). This report seeks formal adoption of the Charter after its annual review.

2. Recommendation

- 2.1 That the updated Charter is adopted in the form presented at appendix 1.

3. Background

- 3.1 The Internal Audit Charter is presented to the AGS Committee annually for adoption. The Charter and its contents are a requirement of the Public Sector Internal Audit Standards and it sets out the purpose, scope, responsibilities and independence of the Internal Audit service.

4.1 Summary of Key Changes

- 4.1 The draft charter is broadly similar to the current charter. The main changes are:
- The Charter has been reviewed with the aim of making it clearer and easier to read.
 - Team names and job titles changed where required to reflect changes in management arrangements.
 - Reference to 'Three Lines of Defence' have been changed to 'Three Lines' in line with recent change by Chartered Institute of Internal Auditors.

5. Financial Implications

- 5.1 There are no financial implications as the Internal Audit and Counter Fraud activity is met within existing resources.

6. Legal Implications

- 6.1 Internal Audit and Counter Fraud activity is a means by which councillors can be assured that the Council is using its resources effectively and that the Council is discharging its fiduciary duties concerning taxpayers' money. It helps services to design systems which have appropriate controls and then provide assurance as to whether those controls are operating as intended.

7. Equality and Diversity Implications

- 7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. Equality and diversity matters have been considered in the production of this report.

8. List of Appendices

Appendix 1: Internal Audit Charter.

9. List of Background Papers

Public Sector Internal Audit Standards.