

Audit Committee

19 March 2026

Internal Audit Charter

Report from: Phil Watts, Chief Operating Officer

Author: James Larkin, Head of Internal Audit & Counter Fraud Shared Service (Chief Audit Executive)

Summary

This report presents the Internal Audit Charter for review and approval.

1. Recommendation

1.1. The Committee is recommended to approve the Internal Audit Charter presented at Appendix 1.

2. Budget and policy framework

2.1. Council delegates responsibility for the oversight and monitoring the effectiveness of the Internal Audit and Counter Fraud Shared Service to the Audit Committee.

3. Background

3.1. The Global Internal Audit Standards ('the Standards') require the Chief Audit Executive to develop and maintain an Internal Audit Charter. As a minimum, the Charter must define the purpose of the internal audit function, its commitment to adhering to the Standards, its mandate, and its organisational position and reporting relationships.

3.2. The Standards also require the Chief Audit Executive to discuss the proposed Internal Audit Charter with senior management and the Audit Committee to ensure it accurately reflects their understanding and expectations of the internal audit function. The Standards further state that the Internal Audit Charter must be formally approved by the Audit Committee.

4. Internal Audit Charter

4.1. The current Internal Audit Charter, approved by the Audit Committee on 20 March 2025, has undergone its annual review. Following the comprehensive revisions made in response to the introduction of the Global Internal Audit Standards, this review has confirmed that no further amendments are required.

4.2. The Internal Audit Charter therefore remains unchanged and is proposed to continue in place for 2026-27. A copy is provided at Appendix 1 for Members' review and approval.

5. Risk management

- 5.1. Development, maintenance and approval of an Internal Audit Charter is a requirement of the Global Internal Audit Standards, which are widely recognised as the 'public sector internal auditing standards or guidance' referenced in the Accounts & Audit Regulations 2015, which must be taken into account when undertaking an effective internal audit to evaluate the effectiveness of risk management, control and governance processes.
- 5.2. The Internal Audit Charter sets the parameters within which the internal audit function is delivered, specifying the internal audit function's purpose and mandate, and thereby granting the authority needed to provide internal audit services, which in turn help improve the effectiveness of the council's risk management, control, and governance processes.

6. Climate change implications

- 6.1. There are no climate change implications in this report.

7. Financial implications

- 7.1. An adequate and effective internal audit function provides the council with assurance on the proper, economic, efficient and effective use of council resources in delivery of services.

8. Legal implications

- 8.1. The Accounts and Audit Regulations 2015 require local authorities to: undertake an effective internal audit to evaluate the effectiveness of its risk management, control, and governance processes, taking into account Global Internal Audit Standards and associated guidance. The Section 151 Officer of a local authority is responsible for establishing the internal audit service.

Lead officer contact

James Larkin, Head of Internal Audit and Counter Fraud Shared Service
james.larkin@medway.gov.uk.

Appendices

Appendix 1 – Internal Audit Charter.

Background papers

None