



Swansea Bay City Region Joint Committee – 10 November 2022

## Swansea Bay City Deal Internal Audit Charter

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| <b>Purpose:</b>           | For the Joint Committee to consider and approve the draft Internal Audit Charter for Swansea Bay City Deal. |
| <b>Policy Framework:</b>  | Internal Audit Governance Arrangements<br>Internal Audit Charter  |
| <b>Recommendation(s):</b> | It is recommended that the Joint Committee:   |
| 1)                        | Reviews and approves the draft Internal Audit Charter   |
| <b>Report Author:</b>     | Matthew Holder, Head of Internal Audit, SBCD  |
| <b>Finance Officer:</b>   | Chris Moore, Section 151 Officer, SBCD  |
| <b>Legal Officer:</b>     | Tracey Meredith, Monitoring Officer, SBCD   |

### 1. Introduction

- 1.1 The Internal Audit Charter defines the purpose, role and scope of Internal Audit, along with the authority to access information and personnel, as well as accountability and reporting lines. The Charter has been written in accordance with Standard 1000 of the Public Sector Internal Audit Standards (PSIAS) which came into force from April 2013, (which were updated in 2017).

### 2. Background

- 2.1 The PSIAS states the mission of Internal Audit is “to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”, and defines Internal Audit as “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

- 2.2 A professional, independent and objective Internal Audit Service is one of the key elements of good governance. Internal Audit has specific responsibilities and rights of access to people and documents, which have been adopted by Swansea Bay City Deal, with Carmarthenshire County Council being the nominated lead for Finance, which are included within the Charter, along with its objectives, roles and responsibilities, the staff involved and how it demonstrates its organisational independence. The expectations and responsibilities of the Head of Internal Audit are also included within the Charter.
- 2.3 The Charter reinforces the point that Internal Audit provides assurance to Members and Senior Management and should not be involved with operational matters of service delivery. It includes an important reference to the Code of Ethics for those working within the team in that they need to conform to the principles of Integrity, Objectivity, Confidentiality and Competency when undertaking their duties.
- 2.4 The expectations of how Internal Auditors will approach their work in terms of due professional care, integrity, independence and impartiality is written into the Charter. The reporting and quality assurance processes are also included. The Internal Audit Service plays an important part in helping to deter and identify fraud and corruption in order to safeguard public money, and this aspect is included within the Charter.
- 2.5 The Internal Audit Charter will be periodically reviewed by the Head of Internal Audit and will be presented back to the Joint Committee should any revisions be required.

### **3. Financial Implications**

- 3.1 None.

### **4. Legal Implications**

- 4.1 The Joint Committee Agreement provides that the Accountable Body will ensure that the finances and discharge of functions relating to the Swansea Bay City Deal are audited.

**Background Papers:** None

#### **Appendices:**

Appendix A      Draft Internal Audit Charter