



INTERNAL AUDIT CHARTER AND STRATEGY

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Internal Audit Charter and Strategy

About this Charter and Strategy

[The Institute of Internal Audit's Global Internal Audit Standards in the UK Public Sector 2024](#) (the “Standards”) define an internal audit charter as: “a formal document that includes the internal audit function’s mandate, organisational position, reporting relationships, scope of work, types of services and other specifications”.

This document serves as the internal audit charter for Babergh and Mid Suffolk District Councils (“the Councils”). It will come into force alongside the new [Standards](#) on 1 April 2025 and remain until amended or replaced. It is based largely on a model charter under the new [Standards](#) published by the Institute of Internal Audit, but freely adapted for the circumstances specific to the UK public sector (with reference to the UK Public Sector Application Note (the “[Application Note](#)” and CIPFA’s Code of Practice for the Governance of Internal Audit in UK Local Government (the “[Code of Practice](#)”) and further specific to the Council.

Throughout this document hyperlinks are used to refer readers to a full copy of standards or guidance available online. The document used bold, coloured text to denote when a term has a specific meaning in a [Standards](#) context which is explained further in the glossary (for example, Head of Internal Audit).

Strategic Context

As funding reductions take effect the context for local government and for the overall governance, risk and control environment within which it operates is increasingly challenging.

Efficiency and delivery programmes are fundamentally altering the nature and structure of the Councils. Organisations are becoming increasingly knowledgeable in their understanding of risk management and prepared to accept greater levels of controlled risk in order to achieve their aims. There is greater transparency and scrutiny of public expenditure, coupled with the recent changes in public audit. These changes affect the overall governance, risk and control environment.

To give value in this context, Internal Audit needs to meet core responsibilities well, which are to provide appropriate assurance to Councillors, in particular the Joint Audit and Standards Committee and the Senior Leadership Team (made up of the Chief Executive, Deputy Chief Executive and Directors) on the effectiveness of governance, risk and control arrangements in delivering the achievement of each Council’s priorities. Internal Audit must identify and focus its efforts on what is significant, risky and important and have the right skills and resources to deliver. It also needs to ensure it complies with appropriate regulations and best practice in so doing.

Recognising this challenge, the Head of Internal Audit has developed a service whose vision is to:

Focus on what is important	Internal Audit needs to deploy its resources where there is most value; this is towards the corporate objectives and priorities, the key risks which may prevent each Council from achieving their objectives and delivering responsibilities, and the important processes which facilitate this.
Outward looking and forward focussed	Being aware of national and local developments and of their potential impact on each Council's governance, risk management and control arrangements.
Gives value by providing assurance	There is innate value in providing assurance to senior managers and Members that the arrangements they put in place are working effectively, and in helping managers to improve the systems and processes for which they are responsible.
Gets the right balance of independent support and challenge	Avoiding a tone which blames but being resolute in challenging for the wider benefit of both Councils and the people of Babergh and Mid Suffolk.
Has impact	Delivering work which has buy-in and which leads to sustained change.
Is welcomed at the top table	Identifying and sharing organisational issues and themes, and for these to be recognised and taken on board in the interests of both Councils and the people of Babergh and Mid Suffolk.
Strengthens the governance of both Councils	Being ambassadors for and encouraging both Councils towards best practice in order to maximise the chances of achieving its priorities and avoiding surprises.

Each Council recognises the absolute importance of a strong and successful internal audit service and its key role as a cornerstone of corporate governance and as such each Council retains responsibility and accountability for the Internal Audit provision

Purpose

1. This Charter sets out the purpose, authority and functions of the internal audit service supporting the Councils.
2. The purpose of the internal audit service is to strengthen the Councils' ability to exercise effective governance in pursuit of its objectives by providing independent, risk-based and objective assurance, advice and insight.
3. The internal audit service enhances the Councils':
 - a. Successful achievement of objectives,
 - b. Governance, risk management and control processes,
 - c. Decision-making and oversight,
 - d. Reputation and credibility with stakeholders, and
 - e. Ability to serve the public interest.
4. The Councils' internal audit service is most effective when:
 - a. Internal auditing is performed by competent professionals in conformance with the [Standards](#), the [Application Note](#) and the [Code of Practice](#) and any additional guidance authorised for use in the UK by relevant standards-setters.
 - b. The internal audit service is independently positioned with direct accountability to the Joint Audit & Standards Committee.
 - c. Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to Global Internal Audit Standards and other Mandatory Guidance

5. The Councils' internal audit service will adhere to the mandatory elements of The IIA's International Professional Practices Framework, which are the [Standards](#) and Topical Requirements (subject to their approval by relevant UK standards-setters). Mandatory elements in the UK Public Sector also include the [Application Note](#) and the [Code of Practice](#).
6. The Head of Internal Audit will report at least annually to the Joint Audit and Standards Committee and the Senior Leadership Team regarding the internal audit service's conformance with the [Standards](#) and other mandatory guidance. The Head of Internal Audit will monitor and assess that conformance through a quality assurance and improvement programme.

Mandate

7. In local government in the UK, internal audit's authority has statutory backing through Regulation 5 of the Accounts and Audit Regulations 2015 (the "[Regulations](#)"). The [Regulations](#) affirm internal audit's right of access to all documents, records and information considered necessary by those conducting the internal audit.

Authority

8. Within the Councils, the internal audit service draws authority from its direct reporting relationship to the Joint Audit and Standards Committee, including unrestricted access to Members.
9. The Senior Leadership Team, with support from the Joint Audit and Standards Committee, authorise the internal audit service to:
 - a. Have full and unrestricted access to all functions, data, records, information, physical property and personnel necessary for carrying out internal audit responsibilities. Internal auditors are accountable for maintaining confidentiality and safeguarding information they obtain.
 - b. Allocate resources, select subjects, determine scopes of work, apply analytical techniques and issue communications necessary to accomplish audit objectives.
 - c. Obtain assurance from the necessary personnel of the Councils and other services from within or outside the Councils (including contractors and collaborative or arms-length service arrangements) to complete internal audit services.

Independence, Organisational Position and Reporting Relationships

10. The Head of Internal Audit is positioned at a level in the Councils that enables internal audit services and responsibilities to be free from interference from management, thereby establishing the service's independence. The Head of Internal Audit will report functionally to the Joint Audit and Standards Committee and administratively to the Director of Corporate Services. This positioning provides the authority and status to bring matters direct to senior management and escalate to the Joint Audit and Standards Committee, when necessary, without interference and so supports internal auditors' ability to maintain objectivity.
11. At least annually, the Head of Internal Audit will confirm the internal audit service's organisational independence to the Joint Audit and Standards Committee.
12. The Head of Internal Audit will disclose to the Joint Audit and Standards Committee any characteristics of the Council's governance structure which may limit independence and any safeguards employed. The Head of Internal Audit will also

disclose to the Joint Audit and Standards Committee any interference internal auditors encounter related to the scope, performance or communication of internal audit work and results. This disclosure will include communicating the implications of such interference or governance structure characteristics on the internal audit service's effectiveness and ability to fulfil its mandate.

13. Currently, the Head of Internal Audit holds various operational roles beyond responsibility for the internal audit service. These are:
 - a. Oversight of the Councils' Anti-Fraud and Corruption arrangements, including the Councils' Money Laundering Reporting Officer (MLRO)
 - b. The Councils' Whistleblowing Officer
 - c. The Councils' Regulation of Investigatory Powers (RIPA) Co-ordinating Officer
 - d. Supporting the Councils' Monitoring Officer on Ethical Governance arrangements
14. The following additional and alternative steps will feature in the audit approach to maintain independence and objectivity for these areas:
 - a. At audit planning stage, other officers within the audit service will complete risk assessments. Where planning risk criteria are met, engagements will be longlisted in the audit plan and, at minimum, form part of the consultation draft plan shared with the Senior Leadership Team.
 - b. At audit engagement stage, the Head of Internal will consider various approaches depending on the nature of the engagement. These may include having work undertaken by the Councils' internal audit service but overseen by the Head of Internal Audit or assigning work the Councils' external audit provider.
 - c. At audit reporting stage, invite the independent entity that completed the engagement the opportunity to report direct to the Joint Audit and Standards Committee and/or the Senior Leadership Team. That reporting will include opportunity to comment on the effectiveness of independence safeguards and any recommendations for their development.
15. The Head of Internal Audit will describe the specific safeguards proposed in the annual audit plan for agreement by the Joint Audit and Standards Committee before implementation.

Changes to the Mandate, Authority or Charter and Strategy

16. At least annually, the Head of Internal Audit will present a current version of this Charter and Strategy for approval by the Joint Audit and Standards Committee. Periodically, circumstances may justify more frequent or irregular amendments. These may include:
 - a. Significant changes to Standards or other Mandatory Guidance,

- b. Significant reorganisation within the Councils, especially changes in the Head of Internal Audit, Joint Audit and Standards Committee or the Senior Leadership Team.
- c. Significant changes to the Councils' strategies, objectives, risk profile or operating environment.
- d. New laws or regulations that affect the nature of scope of internal audit.

Joint Audit and Standards Committee Oversight

- 17. To establish, maintain and ensure that the Councils' internal audit service has sufficient authority to fulfil its duties the Joint Audit and Standards Committee will:
 - a. Discuss with the Head of Internal Audit and the Senior Leadership Team the appropriate authority, responsibilities, scope and services of the internal audit service.
 - b. Ensure the Head of Internal Audit has unrestricted access to, communicates, and interacts directly with the Joint Audit and Standards Committee, including in private meetings without senior management present.
 - c. Discuss with the Head of Internal Audit and the Senior Leadership Team the content of the internal audit charter.
 - d. Participate in discussions with the Head of Internal Audit and the Senior Leadership Team about the “essential conditions” described in the Standards which establish the foundation that enables an effective internal audit function.
 - e. Approve the internal audit service’s Charter and Strategy, which includes the internal audit mandate and the scope and types of internal audit services.
 - f. Review the internal audit charter and Strategy at least annually to consider changes affecting the Councils, such as the employment of a new Head of Internal Audit or changes in the type, severity and interdependencies of risks to the Councils; and approve the internal audit charter and strategy.
 - g. Approve the risk-based internal audit plan.
 - h. Receive communications from the Head of Internal Audit about the internal audit service including its performance relative to its plan.
 - i. Ensure a quality assurance and improvement program has been established and review its results annually.
 - j. Work with the Head of Internal Audit and the Senior Leadership Team in selecting an external quality assessor and defining assessment scope.
 - k. Make appropriate enquiries of the Senior Leadership Team and the Head of Internal Audit to determine whether actual or desired scope or resource limitations are inappropriate.

- l. Periodically review and assess the adequacy of specific arrangements to safeguard the Head of Internal Audit's independence and objectivity for work on other operational roles associated with the position.
18. The following points are adapted from the [Standards](#) in line with requirements of the [Application Note](#) and the [Code of Practice](#):
 - a. Provide a view, where appropriate, on the internal audit service's human resources administration, budget and expenses.
 - b. Provide input as requested by the Senior Leadership Team on the appointment and removal of the Head of Internal Audit and ensuring that the post-holder is appropriately competent and qualified as set out in [Standards](#) and other Mandatory Guidance.
 - c. Provide information as requested by the Senior Leadership Team to inform the Head of Internal Audit's performance reviews and appraisal.

Head of Internal Audit Roles and Responsibilities

Ethics and Professionalism

19. The Head of Internal Audit will ensure that internal auditors:
 - a. Conform with the [Standards](#) and other Mandatory Guidance, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care and confidentiality.
 - b. Understand, respect, meet and contribute to the ethical expectations of the Councils and be able to recognise conduct that is contrary to those expectations.
 - c. Encourage and promote an ethics-based culture.
 - d. Report behaviour that is inconsistent with the Councils' ethical expectations, as described in the Councils' statement on values and behaviours.

Objectivity

20. The Head of Internal Audit will ensure that the internal audit service remains free from all conditions that may threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matter of engagement selection, scope, procedures, frequency, timing and communication. If the Head of Internal Audit determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.
21. Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgement on audit matters to others, either in fact or appearance.

22. Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems or engage in other activities that may impair their judgement, including:

- a. Assessing specific areas where they previously held operational responsibility in the previous 12 months or where the impact of that responsibility persists.
- b. Performing operational duties for the Councils, except as may be required narrowly for managing the internal audit service itself.
- c. Initiating or approving transactions external to the internal audit service.
- d. Directing the activities of any Council employee aside from those engaged by the internal audit service.

23. Internal auditors will:

- a. Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties as required by internal audit service policy and procedure.
- b. Exhibit objectivity in gathering, evaluating and communicating information.
- c. Make balanced assessments of all available and relevant facts and circumstances to inform conclusions.
- d. Take steps to avoid conflicts of interest, bias and undue influence.

Managing the Internal Audit Function

24. The Head of Internal Audit has the responsibility to:

- a. At least annually, develop a risk-based internal audit plan that considers input from the Senior Leadership Team.
- b. Discuss the plan with Joint Audit and Standards Committee and the Senior Leadership Team and submit the plan to Committee for review and approval.
- c. Communicate the impact of resource limitations on the internal audit plan to the Joint Audit and Standards Committee and the Senior Leadership Team.
- d. Review and adjust the internal audit plan, as necessary, in response to changes in the Councils' business, risks, operations, programs, systems, controls and alternate sources of assurance.
- e. Communicate with the Joint Audit and Standards Committee and the Senior Leadership Team if there are significant changes to the internal audit plan.
- f. Ensure internal audit engagements are performed, documented and communicated in accordance with the [Standards](#), other Mandatory Guidance and relevant laws and regulations.

- g. Follow up on engagement findings and confirm implementation of agreed actions as set out in Internal Audit Manual.
- h. Communicate results of internal audit services to Joint Audit and Standards Committee and the Senior Leadership Team periodically, and for individual engagements as appropriate.
- i. Ensure the internal audit service collectively possesses or obtains the knowledge, skills and other competencies and qualifications needed to meet the requirements of the [Standards](#) and other Mandatory Guidance and fulfil the internal audit mandate.
- j. Identify and consider trends and emerging issues that may affect the Councils and communicate to the Joint Audit and Standards Committee and the Senior Leadership Team as appropriate.
- k. Consider emerging trends and successful practices in internal auditing.
- l. Establish and ensure adherence to methodologies, policies and procedures designed to guide the internal audit service.
- m. Ensure adherence to the Councils' relevant policies and procedures unless such policies and procedures conflict with the internal audit charter and strategy, [Standards](#) or other Mandatory Guidance. Any such conflicts will be communicated first to Senior Leadership Team, with resolution communicated to the Joint Audit and Standards Committee.
- n. Co-ordinate activities and consider relying on the work of other assurance providers and advisory services.
- o. Set out in the internal audit plan the approach to relying on the work of other assurance providers and co-ordinating activities.
- p. Plan and manage the internal audit service's financial, human and technological resources in line with the Councils' policies and procedures, raising with the Senior Leadership Team and the Joint Audit and Standards Committee where appropriate if those policies and procedures inhibit the ability of the service to fulfil its mandate and responsibilities under this charter and strategy.

Communication with the Joint Audit and Standards Committee and the Senior Leadership Team

25. The Head of Internal Audit will report at least annually to the Joint Audit and Standards Committee and the Senior Leadership Team regarding:
 - a. The internal audit function's mandate.
 - b. The internal audit plan and performance relative to its plan.
 - c. The internal audit budget, in line with Councils' budget management processes.

- d. Significant revisions to the internal audit plan and budget.
- e. Potential impairments to independence, including relevant disclosures.
- f. Results from the quality assurance improvement program, which include the internal audit service's conformance with [Standards](#) and other Mandatory Guidance plus action plans to address any deficiencies and opportunities for improvement.
- g. Significant risk exposures and control issues, including fraud risks, governance issues other areas of focus for the Councils that could interfere with achieving its strategic objectives.
- h. Results of assurance and advisory services.
- i. Resource requirements, and a view on the adequacy of resources to meet expectations of the internal audit service.
- j. Management's responses to risk that the internal audit service determine may be unacceptable or acceptance of a risk that the Head of Internal Audit believes is not appropriate within the Councils' Risk Management Framework.

Quality Assurance and Improvement Program

- 26. The Head of Internal Audit will develop, implement and maintain a quality assurance and improvement program that covers all aspects of the internal audit service. The program will include external and internal assessments of the internal audit service's conformance with the [Standards](#) and other Mandatory Guidance. It will also include performance measurement to assess the internal audit service's progress towards achieving its objectives and promotion of continuous improvement. If applicable, the assessment will include plans to address any deficiencies and opportunities for improvement.
- 27. At least annually, the Head of Internal Audit will communicate with the Joint Audit and Standards Committee and the Senior Leadership Team about the internal audit service's quality assurance and improvement program. This will include the results of internal assessments and external assessments. External assessments will take place at least every five years in accordance with the requirements set out in [Standards](#) and other Mandatory Guidance.

Scope and Types of Internal Audit Services

- 28. The scope of internal audit services covers the entire breadth of the Councils, including all of its activities, assets and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independence assurance and advisory services to the Councils and management on the adequacy and effectiveness of governance, risk management and control processes and contributes to the Councils' Joint Annual Governance Statement.

29. The nature of scope of advisory services may be agreed with the party requesting the service, provided the internal audit service does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.
30. Internal audit engagements may include evaluating whether:
 - a. Risks relating to achieving the Council's objectives are appropriately identified and managed.
 - b. Controls used to mitigate risk and support achievement of objectives are appropriately designed and consistently operated as designed.
 - c. The actions of the Councils' officers, contractors or other relevant parties comply with the Councils' policies, procedures and applicable laws, regulations and governance standards.
 - d. The results of operations and programs (including major projects and system changes) are consistent with established goals.
 - e. Operations and programs (including major projects and system changes) are being carried out effectively, efficiently, ethically and equitably.
 - f. Established processes and systems enable compliance with policies, procedures, laws and regulations that could significantly impact the Councils.
 - g. The integrity of information and the means used to identify, measure, analyse, classify and report such information is reliable.
 - h. Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Essential Conditions

31. The [Standards](#) set out a range of activities of the Joint Audit and Standards Committee and the Senior Leadership Team viewed as essential to the internal audit service's ability to fulfil the purpose of internal auditing. These are together referred to as "essential conditions" and establish a necessary foundation for an effective dialogue between interested parties in enabling an effective internal audit service.
32. Where there is disagreement on essential conditions, the [Standards](#) require the Head of Internal Audit to document the disagreement and its impact on the internal audit service. The documentation will typically feature within the internal audit charter and strategy.
33. The [Standards](#) recognise that not all of the essential conditions will apply in all circumstances given varying regulatory circumstances that exist in different

countries and sectors. Accordingly, the list below disappplies a small number of essential conditions and draws alternative and equivalent formulations from the [Application Note](#) and the [Code of Practice](#).

34. In approving this charter and strategy, the Joint Audit and Standards Committee and the Senior Leadership Team recognise and support the essential conditions to enable the internal audit service to fulfil the purpose of internal auditing and the specific role at the Councils' described in this charter and strategy.

Essential Conditions for the Joint Audit and Standards Committee

35. The Audit & Risk Committee will:

- a. Discuss with the Head of Internal Audit and the Senior Leadership Team the appropriate authority, role and responsibilities of internal audit.
- b. Approve the internal audit charter and strategy, which includes the internal audit mandate and the scope and types of internal audit services.
- c. Discuss with the Head of Internal Audit and the Senior Leadership Team any other topics that should be included in the internal audit charter and strategy to enable an effective internal audit service.
- d. Approve the internal audit charter and strategy.
- e. Review the internal audit charter and strategy with the Head of Internal Audit to consider changes affecting the Councils, such as the employment of a new Head of Internal Audit or changes in the type, severity, and interdependencies of risks to the Councils.
- f. Champion the internal audit service to enable it to fulfil the purpose of internal auditing and pursue its strategy and objectives.
- g. Work with the Senior Leadership Team to enable the internal audit service's unrestricted access to the data, records, information, personnel and physical properties necessary to fulfil the internal audit mandate.
- h. Support the Head of Internal Audit through regular direct communications.
- i. Demonstrate support by: (I) Approving the internal audit charter and strategy and internal audit plan, (II) making appropriate enquiries of the Senior Leadership Team and the Head of Internal Audit to determine whether any restrictions on the internal audit service's scope, access, authority or resources limit the service's ability to carry out its responsibilities effectively and (III) meeting periodically with the Head of Internal Audit in sessions without senior management present.
- j. Establish a direct relationship with the Head of Internal Audit and the internal audit service to enable the service to fulfil its mandate.

- k. On request from the Senior Leadership Team, contribute to recruiting the Head of Internal Audit.
- l. On request from the Senior Leadership Team, provide information to inform performance evaluation for the Head of Internal Audit.
- m. Provide the Head of Internal Audit with opportunities to discuss significant and sensitive matters.
- n. Comment to the Senior Leadership Team as appropriate on the scope and positioning of the Head of Internal Audit role to ensure it has the appropriate authority within the Councils to fulfil the internal audit mandate and act with appropriate safeguards for its independence.
- o. Engage with the Senior Leadership Team to ensure that the internal audit service is free from interference when determining its scope, performing internal audit engagements and communicating results.
- p. Review and comment as appropriate on the requirements necessary for the Head of Internal Audit to manage the internal audit service, as described in the [Application Note](#).
- q. Communicate with the Head of Internal Audit to understand how the internal audit service is fulfilling its mandate.
- r. Communicate the Joint Audit and Standards Committee's perspective on the Councils' strategies, objectives and risks to assist the Head of Internal Audit with determining internal audit priorities.
- s. Set expectations for the Head of Internal Audit for (I) the frequency of communications (II) the criteria for determining which issues should be escalated and (III) the process for escalation.
- t. Gain an understanding of the effectiveness of the Councils' governance, risk management and control processes based on the results of internal audit engagements and discussions with the Senior Leadership Team.
- u. Discuss with the Head of Internal Audit disagreements with the Senior Leadership Team or other stakeholders and provide support as necessary to enable the Head of Internal Audit to perform the responsibilities outlined in the internal audit mandate.
- v. Discuss with the Head of Internal Audit, at least annually, the sufficiency both in numbers and capabilities, of internal audit resources to fulfil the internal audit mandate and achieve the internal audit plan.
- w. Consider the impact of insufficient resources on the internal audit mandate and plan.

- x. Discuss with the Head of Internal Audit the quality assurance and improvement program.
- y. Assess the effectiveness and efficiency of the internal audit service. Such an assessment includes: (I) reviewing the service's performance objectives, including its conformance with the [Standards](#), ability to meet the internal audit mandate and progress towards completion of the internal audit plan. (II) Considering the results of the internal audit function's quality assurance improvement program.
- z. Discuss with the Head of Internal Audit the plans to have an external quality assessment of the internal audit service conducted by an independent, qualified assessor or assessment team.
 - aa. Collaborate with the Senior Leadership Team and the Head of Internal Audit to determine the scope and frequency of the external quality assessment.
 - bb. Consider the responsibilities and regulatory requirements of the internal audit service and the Head of Internal Audit, as described in the internal audit charter and strategy, when defining the scope of the external quality assessment.
 - cc. Review and approve the Head of Internal Audit's plan for the performance of an external quality assessment. Such approval should cover: (I) the scope and frequency of assessments (II) the competencies and independence of the external assessor or assessment team (III) the rationale for choosing to conduct either a self-assessment with independent validation or an external quality assessment.
 - dd. Require receipt of the complete results of the external quality assessment or self-assessment with independent validation direct from the assessor.
 - ee. Review and approve the Head of Internal Audit's action plans to address identified deficiencies and opportunities for improvement, if applicable.
 - ff. Approve a timeline for completion of the action plans and monitor the Head of Internal Audit's progress.

Essential Conditions for the Senior Leadership Team

36. The Senior Management Team will:

- a. Participate in discussions with the Joint Audit and Standards Committee and the Head of Internal Audit and provide input on expectations for the internal audit service.
- b. Support the internal audit mandate throughout the Councils and promote the authority granted to the internal audit service.

- c. Communicate with the Joint Audit and Standards Committee and the Head of Internal Audit about management's expectations that should be considered for inclusion in the internal audit charter and strategy.
- d. Support recognition of the internal audit service throughout the Councils.
- e. Work with the Joint Audit and Standards Committee and management throughout the Councils to enable the internal audit service's unrestricted access to the data, records, information, personnel and physical properties necessary to fulfil the internal audit mandate.
- f. Position the internal audit service within the Councils to enable it to perform its services and responsibilities without interference.
- g. Recognise the Head of Internal Audit's direct relationship with the Joint Audit and Standards Committee.
- h. Engage with the Joint Audit and Standards Committee to understand any potential impairments to the internal audit service's independence caused by non-audit roles or other circumstances and support the implementation of appropriate safeguards to manage such impairments.
- i. Enable the appointment, development and remuneration of the Head of Internal Audit through the Councils' human resources processes.
- j. Communicate the Senior Leadership Team's perspective on the Councils' strategies, objectives and risks to assist the Head of Internal Audit with determining internal audit priorities.
- k. Assist the Joint Audit and Standards Committee in understanding the effectiveness of the Councils' governance, risk management and control processes.
- l. Work with the Joint Audit and Standards Committee and the Head of Internal Audit on the process for escalating matters of importance.
- m. Work with the Head of Internal Audit, in consultation with the Joint Audit and Standards Committee as appropriate, to address any issues of insufficient resources and how to remedy the situation.
- n. Work with the Head of Internal Audit to determine appropriate performance objectives for the internal audit service.
- o. Collaborate with the Joint Audit and Standards Committee and the Head of Internal Audit to determine the scope and frequency of the external quality assessment.
- p. Review the results of the external quality assessment, collaborate with the Head of Internal Audit and the Joint Audit and Standards Committee to agree on action

plans that address identified deficiencies and opportunities for improvement, if applicable, and agree on a timeline for completion of the action plans.

Disapplied Essential Conditions

37. This charter and strategy disapplies the following conditions set out in [Standards](#) because they do not fit governance arrangements at the Councils. Each disapplication shows the equivalent replacement condition added with reference to guidance from the [Application Note](#) and the [Code of Practice](#).

- a. [The Joint Audit and Standards Committee will] demonstrate support by (I) specifying that the Head of Internal Audit reports to a level within the Councils that allows the internal audit service to fulfil the internal audit mandate (II) approving the internal audit charter and strategy, internal audit plan, budget and resource plan [replaced by paragraph 35i].
- b. [The Joint Audit and Standards Committee will] authorise the appointment and removal of the Head of Internal Audit [replaced by paragraph 35k].
- c. [The Joint Audit and Standards Committee will] provide input to the Senior Leadership Team to support the performance evaluation and remuneration of the Head of Internal Audit [replaced by paragraph 35l]
- d. [The Joint Audit and Standards Committee will] require that the Head of Internal Audit be positioned at a level in the Councils that enables internal audit services and responsibilities to be performed without interference from management. This positioning provides the authority and status to bring matters direct to the Senior Leadership Team and escalate to the Joint Audit and Standards Committee where necessary [replaced by paragraph 35n]
- e. [The Joint Audit and Standards Committee will] acknowledge the actual or potential impairments to the internal audit service's independence when approving roles or responsibilities for the Head of Internal Audit that are beyond the scope of internal auditing [replaced by paragraph 35n].
- f. [The Joint Audit and Standards Committee will] engage with the Senior Leadership Team and the Head of Internal Audit to establish appropriate safeguards if Head of Internal Audit roles and responsibilities impair or appear to impair the internal audit service's independence [replaced by paragraph 35n].
- g. [Senior Leadership Team will] position the internal audit service at a level within the Councils that enables it to perform its services and responsibilities without interference, as directed by the Joint Audit and Standards Committee [replaced by paragraph 36f].
- h. [Senior Leadership Team will] provide input to the Joint Audit and Standards Committee on the appointment and removal of the Head of Internal Audit [condition not replaced].

- i. [Senior Leadership Team will] solicit input from the Joint Audit and Standards Committee on the performance evaluation and remuneration of the Head of Internal Audit [condition not replaced].
- j. [The Joint Audit and Standards Committee will] review the requirements necessary for the Head of Internal Audit to manage the internal audit service as described in [Standards](#) [replaced by paragraph 35p].
- k. [The Joint Audit and Standards Committee will] approve the Head of Internal Audit's roles and responsibilities and identify the necessary qualifications, experience and competencies to carry out these roles and responsibilities [condition not replaced].
- l. [The Joint Audit and Standards Committee will] engage with the Senior Leadership Team to appoint a Head of Internal Audit with the qualifications and competencies necessary to manage the internal audit function effectively and ensure the quality performance of internal audit services [condition not replaced].
- m. [Senior Leadership Team will] engage with the Joint Audit and Standards Committee to determine the Head of Internal Audit's qualifications, experience and competencies [condition not replaced].
- n. [The Joint Audit and Standards Committee will] collaborate with the Senior Leadership Team to provide the internal audit service with sufficient resources to fulfil the internal audit mandate and achieve the internal audit plan [condition not replaced].
- o. [The Joint Audit and Standards will] engage with the Senior Leadership Team and the Head of Internal Audit on remedying the situation if the resources are determined to be insufficient [condition not replaced].
- p. [Senior Leadership Team will] engage with the Joint Audit and Standards Committee to provide the internal audit function with sufficient resources to fulfil the internal audit mandate and achieve the internal audit plan [condition not replaced].
- q. [Senior Leadership Team will] engage with the Joint Audit and Standards Committee and the Head of Internal Audit on any issues of insufficient resources and how to remedy the situation [replaced by paragraph 36m].
- r. [The Joint Audit and Standards Committee will] approve the internal audit function's performance objectives at least annually [condition not replaced].
- s. [The Joint Audit and Standards Committee will] determine the extent to which the internal audit service's performance objectives are being met [condition not replaced].

- t. [Senior Leadership Team will] provide input on the internal audit service's performance objectives [replaced by paragraph 36n].
- u. [Senior Leadership Team will] participate with the Joint Audit and Standards Committee in an annual assessment of the Head of Internal Audit and internal audit service [condition not replaced].

Glossary

38. This charter and strategy uses the following terms in place of the terminology set out in the [Standards](#) to reflect circumstances at the Councils.

- a. Head of Internal Audit: at the Council, this is the role defined in [Standards](#) as "Chief Audit Executive". This means the leadership role responsible for effectively management all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with the [Standards](#).
- b. Joint Audit and Standards Committee: at the Council this is the role defined in [Standards](#) as the "Board". This means the highest-level body charged with governance. The Glossary within the [Standards](#) specifically suggests an Audit Committee in this role.
- c. Senior Leadership Team: at the Council this means the Executive Management Team (EMT) as a collective. For many day-to-day and operational management decisions, EMT have delegated oversight of the internal audit service to the Director of Corporate Services.

Approvals

This internal audit charter and strategy was presented for approval at the Joint Audit and Standards Committee at its meeting on 28th April 2025.

John Snell: Head of Internal Audit

Cllr Brynn Hurren – Babergh DC Chair of the Joint Audit and Standards Committee

Cllr John Matthiessen – Mid Suffolk DC Chair of the Joint Audit and Standards Committee

Samantha Lake: Director of Customers, Vulnerabilities and Governance

Appendix: Reconciliation to Standards

Reconciliation to [Global Internal Audit Standards](#)

Standards Requirement	Charter Reference
Standard 3.1: Competency	
The Chief Audit Executive must ensure that the internal audit function collectively possesses the competencies to perform the... services described in the internal audit charter or must obtain the necessary competencies.	Para 24i
Standard 6.1: Internal Audit Mandate	
...the internal audit charter must include the legal requirements of the mandate.	Para 7
The chief audit executive must document or reference the mandate in the internal audit charter...	Para 7
[the board must] approve the internal audit charter, which includes the internal audit mandate and the scope and types of internal audit services.	Page 19
[The internal audit charter should include internal audit's] Authority... Role... Responsibilities... Scope [and the scope of] internal audit services.	Authority: paras 8-9 Role: paras 19-30 Responsibilities: Paras 19-30 Scope: Paras 28-30
The chief audit executive should formally consider any... changes [to the charter] at least annually [and more frequently when circumstances change].	Para 16
Standard 6.2: Internal Audit Charter	
The chief audit executive must develop and maintain an internal audit charter that specifies the... purpose of internal auditing, commitment to adhering to Global Internal Audit Standards, [mandate] and organisational position and reporting relationships.	Purpose: para 2 Commitment: Paras 5-6 Mandate: Para 7 Position: Paras 10- 12
The chief audit executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function	Page 19
[The Board must]... discuss the charter with the chief audit executive.	Page 19
[The Board must]... approve the internal audit charter	Page 19
[The Board must]... review the internal audit charter with the chief audit executive to consider changes affecting the organisation [such as] the employment of a new chief audit executive or changes in... risk.	Para 16

Standards Requirement	Charter Reference
[Senior management must]... communicate with the chief audit executive about management's expectations [for the internal audit function].	Page 19
The internal audit charter should describe administrative reporting responsibilities such as processes for: approving... human resources administration and budgets, approving the chief audit executive's expenses [and] reviewing the chief audit executive's performance.	HR: Para 24 Budget: Para 24 Expenses: Para 18 Performance: Para 18
Where laws or regulations specify the reporting relationship, references to such documents should be included in the charter.	N/A in the UK Public Sector
The chief audit executive should customise the internal audit charter to address the unique organisational aspects that may affect [internal audit]	Whole document
The chief audit executive and the board should also agree on the frequency with which to review and reaffirm whether the charter's provisions continue to enable the internal audit function to accomplish its objectives.	Para 16
Other topics for consideration in the internal audit charter include: Safeguards to independence and objectivity... unrestricted access... Communications [with board and senior management], Audit processes... quality assurance and improvement [and] approvals.	Safeguards: Paras 13-15 and 20-23 Access: Paras 7-9 Communications: Para 25 Process: Para 24 Quality Assurance: Paras 26-27 Approval: Page 18
Standard 7.1: Organisational Independence	
The chief audit executive must document in the internal audit charter the reporting relationships and organisational positioning of the internal audit function, as determined by the board.	Para 20
When the chief audit executive has one or more ongoing roles beyond internal auditing, the responsibilities, nature of work, and established safeguards must be documented in the internal audit charter. If those areas of responsibility are subject to internal auditing, alternative processes to obtain assurance must be established [and documented in the charter] such as contracting with an objective, competent external assurance provider that reports independently to the Board. [plus, when to review and assess adequacy].	Paras 13-15 and 17l
Standard 8.1: Board Interaction	

Standards Requirement	Charter Reference
The chief audit executive must report to the board and senior management... changes potentially affecting the mandate or charter.	Para 16
Standard 8.4: External Quality Assessment	
[The board must] consider the responsibilities and regulatory requirements of the internal audit function and the chief audit executive, as described in the internal audit charter, when defining the scope for the EQA.	Para 17j

Reconciliation to CIPFA's [Code of Practice for the Governance of Internal Audit in UK Local Government](#)

Code of Practice Requirement	Charter Reference
1.2: Internal Audit Charter	
[The charter should include] the mandate derived from regulations, plus any additional agreed mandate, and include internal audit's reporting line to the audit committee.	Mandate: Para 7 Reporting: Para 10
The charter should include the administrative reporting arrangements for internal audit and the chief audit executive.	Para 10
In local government, internal audit's role [as documented by the charter] would normally include: supporting the delivering 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 authority's collaborative and arm's length arrangements.	Assurance role: Para 28 Good practice: Para 24j/k Major projects: Para 30d/e Arms-Length Agency Access: Para 9c

Reconciliation to the [Application Notice on the Global Internal Audit Standards in the UK Public Sector](#)

Application Note Requirement	Charter Reference
The chief audit executive may have no ability to develop resource management approaches distinct from their organisation... in such circumstances to fulfil Standard 8.2 the chief audit executive must... set out in the charter what alternative approaches apply to internal audit.	Para 24p

<p>... chief audit executive must set out in the Charter what alternative approaches apply to the internal audit service and then seek to manage financial, human and IT resources within those constraints.</p>	<p>Para 24p</p>
<p>[Where the chief audit executive is not qualified for the role as set out in the application note]. the charter must set out the alternative arrangements for obtaining appropriate internal audit professional and organisationally relevant expertise for a specified interim period until the chief audit executive can claim them for themselves.</p>	<p>Not applicable, the Councils' Head of Internal Audit in the main meets the qualifying requirements set out in the Application Note – i.e. has suitable internal audit experience, and experience relevant to the activity of the organisation and the sector within which it operates.</p>
<p>[Direction to apply alternative Essential Conditions relevant to circumstances]</p>	<p>Pages 12-17</p>