



Agenda Item 12

**JOINT AUDIT COMMITTEE
27 March 2025**

**Code of Practice for the Governance of Internal Audit in
UK Local Government**

1. PURPOSE OF REPORT

- 1.1 CIPFA has developed a Code of Practice for the Governance of Internal Audit in UK Local Government (the Code) to support public sector authorities in establishing their internal audit arrangements and providing oversight and support for internal audit.
- 1.2 The Code is designed to work alongside new internal audit standards and replaces the organisational responsibilities set out in the Statement on the role of the Head of Internal Audit (CIPFA, 2019). It is aimed at those responsible for ensuring effective governance arrangements for internal audit. This includes
 - Those charged with governance – Police and Crime Commissioner and Chief Constable.
 - The Joint Audit Committee, which holds some delegated responsibilities towards internal audit.
 - Senior management, including statutory officers, head of paid service, monitoring officer and section 151 officers that hold responsibilities for governance.
- 1.3 The Code applies to all authorities applying Global Internal Audit Standards in the UK Public Sector and that are within the scope of the statutory regulations on internal audit.
- 1.4 The report should be read in conjunction with the Head of Internal Audits self-assessment against the Global Internal Audit Standards in the UK Public Sector and the revised Internal Audit Charter, both of which are presented as separate agenda items.

2. BACKGROUND

- 2.1 Local government bodies have a requirement for internal audit as set out in national regulations. CIPFA works with other relevant internal audit standard setters through the Internal Audit Standards Advisory Board to mandate the appropriate internal audit standards. Since 2013, the Public Sector Internal Audit Standards (PSIAS) set the Standards for internal audit. New standards are to be mandated from 1 April 2025 consisting of the Global Internal Audit Standards (GIAS) of the Institute of internal Audit (IIA) and the CIPFA Application Note: Global Internal Audit Standards in the UK public sector.
- 2.2 The new standards include 'essential conditions' for the governance of internal audit. These conditions are needed to allow effective internal audit practice and for internal auditors to conform with the new standards.

- 2.3 This Code meets the objectives of the essential conditions, by providing for the necessary governance of internal audit, but in a way that is appropriate for UK local government bodies. It includes roles and responsibilities of the Joint Audit Committee, senior management and those charged with governance towards internal audit.

3 SELF ASSESSMENT AGAINST THE CODE

- 3.1 The Code sets out the expectations regarding:
- Providing authority for internal audit
 - Positioning internal audit independently
 - Oversight of internal audit
- 3.2 A self-assessment against the Code has been completed, which confirms overall good compliance. The majority of improvement actions identified relate to strengthening documentation to support existing processes and will largely be addressed through the Head of Internal Audit's revised Internal Audit Charter.
- 3.3 There are two areas that will not be fully addressed by the Internal Audit Charter:
- The organisation is to consider its wider assurance framework to ensure that those charged with governance and the audit committee receive the assurances they need, including assurance from first and second lines, and clarifies how internal audit contributes to this framework. This will be progressed through the Finance Governance Board chaired by the Force's Director of Commercial Services, with the Police and Crime Commissioner's Chief Finance Officer and the Head of Internal Audit as core attendees.
 - There is a requirement for the audit committee to satisfy itself on the effectiveness of internal audit, taking into account conformance with the standards, interactions with the committee, performance and feedback from senior management. Any conclusions should be reported to those charged with governance, for example, as part of the audit committee's annual report. The Head of Internal Audit will work with the Joint Audit Committee Chair to determine any additional information required by the Committee to inform this effectiveness review.

4 RECOMMENDATIONS

- 4.1 The Committee notes the results of the self-assessment against the Code of Practice for the Governance of Internal Audit in UK Local Government reported at Appendix A and determines if further assurance or action is required.

CONTACT OFFICER

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Title: Director of Commercial Services

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BACKGROUND DOCUMENTS

[Code of Practice for the Governance of Internal Audit in UK Local Government](#)

Self-assessment against Code of Practice for the Governance of Internal Audit in UK Local Government

Date completed – February 2025

Code requirement	Current position	Action required	RAG	Evidence
1. Providing authority for internal audit				
1.1 Internal audit's mandate				
To be effective and to meet the requirements of professional standards, internal audit's authority needs to be established.	Internal audit's primary mandate comes from statutory regulations, i.e. The Accounts and Audit Regulations 2015. The Internal Audit mandate and rights of access are set out in the Audit Charter.			Audit Charter
Each body may agree a wider statement of internal audit's authority. In developing the mandate with the chief audit executive, senior management should consider their wider assurance framework ¹ . The framework ensures that those responsible for governance and the audit committee receive the assurances they need, including assurance from first and second lines, and clarifies how internal audit contributes.	There is currently no documented assurance framework/map setting out other sources of assurance.	Agreed action from Finance Governance Board January 2025 - Director of Resources to arrange a meeting with Corporate Development and Head of Internal Audit to discuss potential for developing an assurance framework. Progress to be assessed via Financial Governance Board		
Development of the mandate will involve the chief audit executive, senior management and the audit committee. The audit committee must approve, or recommend for approval, the mandate.	The Joint Scheme of Governance sets out the Joint Audit Committee's responsibility to oversee the process of internal audit which includes consideration and approval of the Internal Audit Charter, as required by statutory guidance. The Terms of Reference for the Joint Audit Committee includes responsibility to approve the Internal Audit Strategy, annual audit programme along with any changes to the			Scheme of Governance JAC TOR

¹ The means by which leaders, managers and decision makers can have confidence that the governance arrangements that they have approved are being implemented, operating as intended, and remain fit for purpose. See Developing an effective assurance framework in a local authority (CIPFA, 2023).

Code requirement	Current position	Action required	RAG	Evidence
	programme, resources and Internal Audit Charter.			
If there are changes to the regulations, the mandate must be updated to reflect them.	This is not currently explicit within the Internal Audit Charter.	2025/26 Audit Charter will be updated to incorporate requirements from new Standards and will include how changes to the mandate will be managed and reported. Head of Internal Audit to address by 31 March 2025		
1.2 Internal audit's charter				
The chief audit executive has a responsibility to prepare a charter that conforms with GIAS (UK public sector).	Audit Charter is prepared and updated annually and reported to Joint Audit Committee in March each year.			Audit Charter
When reviewing the charter, the audit committee should be satisfied that it covers the governance arrangements for internal audit.	Governance arrangements for internal audit are documented within the Charter.	Confirmation that Joint Audit Committee are satisfied that the Audit Charter covers the governance arrangements for internal audit will be sought when the Audit Charter is presented at the March 2025 Joint Audit Committee meeting Head of Internal Audit to address by 31 March 2025		
It must include the mandate derived from the regulations, plus any additional agreed mandate, and include internal audit's reporting line to the audit committee.	Mandate is included in the Audit Charter, as well as statutory obligations from accounts and audit regulations. Reporting lines and rights of access are also included in the Charter.			Audit Charter
The charter should include the administrative reporting arrangements for internal audit and the chief audit executive.	Reporting lines and rights of access are included in the Charter.			Audit Charter
Senior management must work with the chief audit executive to ensure that the charter sets	Statement of internal audit's role is included within the Audit Charter, as are the			Audit Charter

Code requirement	Current position	Action required	RAG	Evidence
<p>out the arrangements the function needs to achieve internal audit's purpose. In local government, internal audit's role would normally include:</p> <ul style="list-style-type: none"> ▪ 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 collaborative and arm's-length arrangements. 	responsibilities of senior management to support the internal audit function.			
If the audit committee has the authority, it must approve the charter; alternatively, it should recommend approval to those charged with governance.	<p>The Audit Charter is reported to Joint Audit Committee annually for consideration and approval.</p> <p>The Joint Scheme of Governance sets out the Joint Audit Committee's responsibility to oversee the process of internal audit which includes consideration and approval of the Internal Audit Charter, as required by statutory guidance.</p>			Joint Audit Committee report detailing Audit Charter
Where there are significant changes to the governance of the authority, its risks or the internal audit function, the charter must be reviewed to ensure it is still fit for purpose and new formal approval given. A regular review is recommended to confirm the charter or update as required.	The Audit Charter is reviewed annually. There have been no significant changes in the last few years that would require the Charter to change outside of the annual review and approval by Joint Audit Committee.	<p>For clarity on process, the Head of Internal Audit will include within the Audit Charter the arrangements if any changes were to arise.</p> <p>Head of Internal Audit to address by 31 March 2025</p>		Audit Charter – reports to Joint Audit Committee
1.3 Support for internal audit				

Code requirement	Current position	Action required	RAG	Evidence
<i>Internal audit's activities require access to and support from senior management, the audit committee and those charged with governance. Support allows internal audit to apply their mandate and charter in practice and meet expectations. Support means:</i>				
Championing the role and work of internal audit to the staff within the authority and to partner organisations with whom internal audit will work.	The Deputy Chief Constable, Director of Commercial Services and PCC Chief Finance Officer are all supportive of the work of internal audit and refer key lines of enquiry to the Head of Internal Audit as necessary.	All to ensure that their PAs are aware to prioritise any requests for meetings with the Head of Internal Audit where requested to ensure full access.		
Facilitating access to senior management, the audit committee and the authority's external auditor.	<p>Audit Charter sets out the responsibilities of management and the Joint Audit Committee in relation to internal audit, and includes providing access at all reasonable times to premises, personnel, documents and assets that the Internal Auditors consider necessary for the purposes of their work.</p> <p>The Head of Internal Audit confirmed during this assessment that there have been no blockages to accessing senior management, audit committee or external audit during the year.</p>	<p>Head of Internal Audit to ensure Audit Charter includes 'facilitating access to the organisation's external auditor'</p> <p>Head of Internal Audit to address by 31 March 2025</p>		Audit Charter
Assisting, where possible, with access to external providers assurance such as regulators, inspectors and consultants.	This is not currently explicit within the Internal Audit Charter.	<p>Head of Internal Audit to ensure Audit Charter includes 'facilitating access to other sources of assurance'</p> <p>This will become more prevalent as the new Standards include a statement around Internal Audit placing reliance on other assurance providers.</p> <p>Head of Internal Audit to address by 31 March 2025</p>		
Engaging constructively with internal audit's findings, opinions and advice.	Audit Charter sets out the responsibilities of management in relation to Internal Audit, and includes:			Audit Charter

Code requirement	Current position	Action required	RAG	Evidence
	<ul style="list-style-type: none"> • giving information and explanations that are sought by the Internal Auditors in the course of their work; • providing input to both the audit plans and the Terms of Reference for each review, to ensure attention is focused on areas of greatest risk; • implementing agreed actions arising from audit recommendations in a timely and effective manner; • early notification to Internal Audit of plans for change, including new operational systems and processes. 			
Building awareness and understanding of the importance of good governance, risk management and internal control for the success of the authority, and of internal audit's contributions.	The Joint Audit Committee oversees risk management arrangements as well as internal audit. The Force has undertaken significant amounts of training on risk and reviewed its risk management arrangements since the arrival of the Deputy Chief Constable. The Head of Internal Audit has been invited to join the Financial Governance Board to ensure that all audit recommendations are followed up through that board.			<p>Joint Audit Committee papers on risk</p> <p>Joint Audit Committee induction process</p> <p>Finance Governance Board papers</p>
When senior management and those charged with governance agree organisational structures, they must ensure that the reporting line of the chief audit executive is not lower than a member of the senior management team and has access to all members of the team. The chief audit executive should be a senior manager, providing them with the necessary profile to fulfil the function's mandate.	The Head of Internal Audit is a member of the OPCC Senior Management team and reports administratively to the Chief Finance Officer. The Head of Internal Audit also has a direct reporting line into Force Executive Team and meets with the Force Director of Commercial Services regularly.			Audit Charter
Where internal audit is outsourced or delivered through a partnership arrangement, senior management and those charged with governance should ensure there is a nominated	There is a nominated Head of Internal Audit who is responsible for both the internal audit team and the co-sourced function.	Head of Internal Audit to reflect outsourced arrangements within the Audit Charter		Audit Charter

Code requirement	Current position	Action required	RAG	Evidence
chief audit executive, and client responsibility lies with a member of senior management.		Head of Internal Audit to address by 31 March 2025		
<i>The audit committee can demonstrate its support for internal audit by:</i>				
Enquiring of senior management and the chief audit executive about any restrictions on the internal audit's scope, access, authority or resources that limit its ability to carry out its responsibilities effectively.	<p>The Charter includes the role of the Joint Audit Committee in relation to Internal Audit. This includes:</p> <ul style="list-style-type: none"> To establish, maintain, and ensure that organisation's internal audit function has sufficient authority to fulfil its duties, the Joint Audit Committee will: Discuss with the Head of Internal Audit and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function. Ensure the Head of Internal Audit has unrestricted access to and communicates and interacts directly with the Joint Audit Committee, including in private meetings without senior management present. Make appropriate inquiries of senior management and the Head of Internal Audit to determine whether scope or resource limitations are inappropriate. 			<p>Audit Charter</p> <p>Example – Joint Audit Committee have been fully sighted on resourcing issues and need to adjust the plan accordingly as a result.</p> <p>Joint Audit Committee Chair updated on resourcing plans and options around filling vacancies etc.</p>
Considering the audit plan or planning scope, and formally approving or recommending approval to those charged with governance.	<p>Joint Audit Committee approve the internal audit plan and any in-year changes.</p> <p>The Charter includes the role of the Joint Audit Committee in relation to Internal Audit including endorsing the Internal Audit Plan.</p> <p>This is reiterated in the Scheme of Governance which delegates authority to the Joint Audit Committee to approve the Internal Audit Strategy and review the planned programme of work of Internal Audit thereby assessing its appropriateness.</p>			<p>Audit Strategy report and annual audit plan report to Joint Audit Committee</p> <p>Audit Charter</p> <p>Scheme of Governance</p>

Code requirement	Current position	Action required	RAG	Evidence
Meeting at least annually with the chief audit executive in sessions without senior management present	<p>Annual private meetings are scheduled at least once a year between Head of Internal Audit and Joint Audit Committee.</p> <p>The Head of Audit also meets the Joint Audit Committee chair quarterly for a pre-meeting prior to the formal audit committee meeting.</p>			Joint Audit Committee work programme
2. Positioning internal audit independently				
<i>On behalf of those charged with governance and the audit committee, senior management establishes and protects the internal audit function's independence and qualifications.</i>				
2.1 Organisational independence				
<i>On behalf of those charged with governance, senior management need to establish and safeguard internal audit's independence. These arrangements must include:</i>				
Ensuring internal audit's access to staff and records, as set out in regulations and the charter, operates freely and without any interference to its scope, performance of engagements or communication of results.	<p>The Audit Charter states that Internal Audit have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.</p> <p>The Head of Internal Audit will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function.</p> <p>The Head of Audit confirmed there have been no experience of interference during the course of their work to date.</p>			Audit Charter
Ensuring that the chief audit executive reports in their own right to the audit committee on the work of internal audit.	The Audit Charter States: The Head of Internal Audit will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the			Audit Charter Audit reports

Code requirement	Current position	Action required	RAG	Evidence
	<p>independence of the internal audit function. This includes:</p> <ul style="list-style-type: none"> • reporting in own name; • the freedom to report directly to the Joint Audit Committee; and • being free from direct responsibility for the development, implementation or operation of systems and procedures. <p>All audit reports and Joint Audit Committee reports in respect of internal audit's work are issued in the name of the Head of Audit.</p>			
Providing opportunities for the chief audit executive to meet with the audit committee without senior management present.	<p>Annual meetings are held in private with Joint Audit Committee members.</p> <p>Head of Internal Audit also holds a pre-meeting with the Joint Audit Committee Chair prior to each audit committee and has unfettered access to the Chair as and when required.</p>			Joint Audit Committee work programme
Where there are actual or potential impairments to the independence of internal audit, senior management should work with the chief audit executive to remove or minimise them or ensure safeguards are operating effectively.	<p>The Audit Charter states: Should the independence or objectivity of the Internal Audit service be impaired in fact or appearance, the Head of Internal Audit will disclose details of the impairment to the Chief Finance Officer and /or the Chair of the Joint Audit Committee depending upon the nature of the impairment.</p> <p>The Head of Internal Audit has confirmed during this assessment that there have been no impairments to date. A declaration to this effect is included in the Head of Internal Audit's Annual Report.</p>			Head of Internal Annual Audit report – June 2024
Recognise that if the chief audit executive has additional roles and responsibilities beyond internal auditing, or if new roles are proposed, it	N/A currently as Head of Internal Audit only responsible for internal audit services.			

Code requirement	Current position	Action required	RAG	Evidence
could impact on the independence and performance of internal audit. The impact must be discussed with the chief audit executive and the views of the audit committee sought. Where needed, appropriate safeguards must be put in place by senior management to protect the independence of internal audit and support conformance with professional standards.				
<p>The audit committee should provide feedback on the proposed job description and the performance evaluation of the chief audit executive should include feedback from the chair of the audit committee.</p> <p>In shared or outsourced arrangements, the audit committee should provide feedback on the operation of the contract.</p>	<p>The Chief Finance Officer will review the performance appraisal of the Head of Internal Audit and feedback will also be sought from the Chair of the Joint Audit Committee.</p> <p>This happens annually when professional development review targets are set.</p> <p>The Head of Internal Audit will report any issues in relation to the operation of the co-sourced arrangement to senior management and the Joint Audit Committee.</p>	<p>Audit Charter will be updated to include arrangements for the appointment, removal, job description and remuneration of the Head of Internal Audit to include.</p> <p>Head of Internal Audit to address by 31 March 2025</p>		<p>Head of Audit PDR</p> <p>Audit Charter</p>
The audit committee must support internal audit's independence by reviewing the effectiveness of safeguards at least annually, including any issues or concerns about independence from the chief audit executive.	<p>No impairments have been disclosed to date. The Head of Internal Audit will disclose details of impairment to the Chief Finance Officer and /or the Chair of the Joint Audit Committee depending upon the nature of the impairment, as an when they arise.</p> <p>The Head of Internal Audit discloses any impairments within their annual report.</p>			Head of Internal Annual Audit report – June 2024
The chief audit executive must have the right of access to the chair of the audit committee at any time.	<p>The Internal Audit Charter states that the Head of Internal Audit has the freedom to report directly to the Joint Audit Committee.</p> <p>The Head of Internal Audit can report directly to the Joint Audit Committee and officers at any level.</p>			Audit Charter

Code requirement	Current position	Action required	RAG	Evidence
	The Head of Internal Audit meets at least quarterly with the Joint Audit Committee Chair.			
The audit committee can escalate its concerns about internal audit independence to those charged with governance.	<p>The Charter specifies the role of the Joint Audit Committee in relation to internal audit, which has a strong focus on promoting independence for the internal audit function.</p> <p>The Head of Internal Audit will confirm to the Joint Audit Committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the Head of Internal Audit will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.</p> <p>The Head of Internal Audit will disclose to the Joint Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate. The Joint Audit Committee can escalate its concerns about internal audit independence to those charged with governance.</p> <p>The Joint Audit Committee Chair has access at any time to those charged with governance and can raise concerns as and when they arise.</p> <p>On a quarterly basis, the Joint Audit Committee Chair provides an assurance statement to the Chief Constable and Police</p>			<p>Audit Charter</p> <p>Joint Audit Committee TOR & working protocols</p> <p>Joint Audit Committee assurance statements</p>

Code requirement	Current position	Action required	RAG	Evidence
	and Crime Commissioner which provides the opportunity to raise concerns. No concerns have been raised about internal audit independence to date.			
2.2 Qualifications of the chief audit executive				
The GIAS (UK public sector) sets out the qualification of and competencies expected of the chief audit executive. These must be taken into account by senior management when recruiting to the post.	The Audit Charter and job description of the Head of Internal Audit require the position to be professionally qualified (CMIIA, CCAB or equivalent) and suitably experienced. The current Head of Internal Audit is CIPFA qualified.			
Where internal audit is fully outsourced, senior management should ensure that an appropriate individual from the provider is nominated as the chief audit executive and meets the qualification requirements.	N/A in-house Head of Internal Audit.			
3. Oversight of internal audit				
<i>To ensure the effectiveness of internal audit, it should be overseen by the audit committee on behalf of those charged with governance. Some local authorities in the UK have legislation or statutory guidance on the responsibilities of their audit committees. CIPFA has established recommended practice for audit committees in local government and police, the Position Statement: audit committees in local authorities and police 2022 and its supporting guidance publication, Audit committees: practical guidance for local authorities and police (2022). The following principles are consistent with their recommended practices for the oversight of internal audit.</i>				
3.1 Audit committee interaction				
All audit committees should follow the CIPFA audit committee guidance for the oversight of internal audit	The terms of reference for the Joint Audit Committee has been assessed against the model terms of reference provided in the CIPFA guidance for Local Authorities and Police Audit Committees. revised during 2022/23.			Joint Audit Committee TOR and working protocols
To ensure there is good interaction between the audit committee and internal audit, audit committees must agree its work plan with the chief audit executive to ensure there is appropriate coverage of internal audit matters within audit committee agendas. The audit committee workplan should provide for the internal audit mandate and charter, strategy,	The Joint Audit Committee work programme is agreed annually, and updated quarterly. Key documents such as Strategy, Charter, Quality Assurance and Improvement Programme, Annual Report and Audit Plan are all reported to Joint Audit Committee and included in its work programme.			Joint Audit Committee work programme

Code requirement	Current position	Action required	RAG	Evidence
plans, engagement reporting and the annual conclusion, and quality reports. The committee should also oversee the tracking and implementation of the actions agreed following audits.	Quarterly reports to the Joint Audit Committee include detailed information regarding action tracking.			
The audit committee must familiarise itself with the authority's assurance framework, governance, risk management and internal control arrangements to fulfil the wider terms of reference of the committee. This understanding will facilitate its interactions with internal audit.	Joint Audit Committee receive annual updates on the Corporate Governance Framework and receive quarterly updates on risk. This is supplemented by regular training on the risk management processes, which is part of the induction for new members.			Members induction Joint Audit Committee reports on Governance and Risk Example - Joint Audit Committee members were fully sighted on proposed changes to governance when proposals to transfer PCC functions to the Mayor were being discussed.
Senior management should update the audit committee on significant changes to governance, risk and control arrangements and any concerns they may have on assurance.	As above			As above
The audit committee should have oversight of the annual governance statement before final approval.	Draft Annual Governance Statement is reported to Joint Audit Committee prior to final approval.			Annual Governance Statement reports to Joint Audit Committee Example – Annual Governance Statement amended and reported to Joint Audit Committee in December 2024 to reflect position at the time the accounts were finalised.
Where internal audit consider the management of risks or proposed actions in response to audit engagements represent an unacceptable level	The Charter states: When the Head of Internal Audit concludes that management has accepted a level of risk			Reports to Joint Audit Committee

Code requirement	Current position	Action required	RAG	Evidence
of risk to the authority, the audit committee must review and make their recommendation to either management or those charged with governance.	<p>that may be unacceptable to the organisation, he/she will discuss the matter with senior management. If the Head of Internal Audit determines that the matter has not been resolved, he /she will communicate the matter to the Joint Audit Committee. It is not the responsibility of the Head of Internal Audit to resolve the risk.</p> <p>Also, the results of the follow up process, including whether senior management has accepted the risk of not taking action, are reported to the Joint Audit Committee.</p>			Examples can be provided where risk accepted for a recommendation has been reported to Joint Audit Committee
3.2 Resources				
The audit committee and senior management must engage with the chief audit executive to review whether internal audit's financial, human and technological resources are sufficient to meet internal audit's mandate as set out in the regulations and achieve conformance with GIAS (UK public sector).	<p>The Scheme of Governance set out the Joint Audit Committee role to review and consider whether internal audit is sufficiently resourced.</p> <p>This is achieved through the Audit Strategy and Audit Plan reports which will set out the internal audit resource available and the audits planned to be completed within available resources. The Head of Internal Audit updates Joint Audit Committee quarterly on the plan position and any resource implications.</p>			<p>Head of Audit reports to Joint Audit Committee</p> <p>Scheme of Governance</p>
Where there are concerns about internal audit's ability to fulfil its mandate or deliver an annual conclusion, the concerns should be formally recorded and reported to those charged with governance.	<p>This has not arisen to date as the Head of Internal Audit has not been in a position where they felt unable to provide an annual conclusion.</p> <p>The TOR for the Joint Audit Committee includes advising the Police and Crime Commissioner and the Chief Constable on the appropriate arrangements for internal audit, including resources and impairments to independence and objectivity.</p>			Joint Audit Committee TOR and working protocols

Code requirement	Current position	Action required	RAG	Evidence
	The Joint Audit Committee working protocols allow the Joint Audit Committee Chair to formally report in to the Police and Crime Commissioner and Chief Constable after each meeting, summarising the business taken by the Committee, and offering the views of, and advice from, the Committee on issues which they consider the Police and Crime Commissioner and/or Chief Constable should be taking action. The scope will consider adequacy and effectiveness of the internal audit functions.			
If resource issues result in a limitation of scope on the annual conclusion, this should also be reported and disclosed in the annual governance statement.	This has not arisen to date as the Head of Internal Audit has not been in a position where they felt unable to provide an annual conclusion.			
Decisions on internal audit resourcing by senior management and those charged with governance must take account of the longer-term risks to the governance and financial sustainability of the authority and internal audit's role in supporting those objectives. The long-term viability of the internal audit function must be considered.	The budget for the internal audit team has been preserved and vacancies kept despite budgetary pressures, enabling delivery of the plan using outside resources.			Budget 2025/26 preserves spend on internal audit at same level as current.
Where there are temporary resource constraints, senior management must work with the chief audit executive to establish longer-term plans for sustainable internal audit resources.	<p>Temporary resource constraints have been experienced during 2023/24 and 2024/25. The Head of Internal Audit and senior management explored options to address the resourcing gap which resulted in a co-sourced arrangement being established which provides some resilience should absences occur.</p> <p>Business cases have also been considered by senior management on IT options and future staffing resources for the team.</p>			<p>Business cases:</p> <ul style="list-style-type: none"> - Entering into co-sourced arrangement - Options appraisal for staffing changes - Options appraisal for IT system
3.3 Quality				

Code requirement	Current position	Action required	RAG	Evidence
Annually, the audit committee must review the results of the chief audit executive's assessment of conformance against GIAS (UK public sector), including any action plan.	Annual assessments against PSIAS have been reported to Joint Audit Committee. An assessment against GIAS will be reported in March 2025	A self-assessment/gap analysis against GIAS will be reported to Joint Audit Committee in March 2025, with a supporting action plan Head of Internal Audit to address by 31 March 2025		Annual self-assessments against PSIAS to Joint Audit Committee Self-assessment against GIAS report to March 2025 Joint Audit Committee
The audit committee must review the chief audit executive's annual report, including the annual conclusion on governance, risk management and control, and internal audit's performance against its objectives. The committee should review in-year updates and make appropriate enquiries if there are concerns about internal audit performance.	Joint Audit Committee consider the Head of Internal Audit annual report in June each year. This is aligned to the reporting timescales for the Annual Governance Statement. Quarterly updates are provided to the Joint Audit Committee on progress against the plan and key performance indicators.			Head of Internal Audit Annual reports to Joint Audit Committee June 2024
To meet the requirements of the regulations (the mandate) for internal audit, the audit committee must satisfy itself on the effectiveness of internal audit. They should take into account conformance with the standards, interactions with the committee, performance and feedback from senior management. Their conclusions should be reported to those charged with governance, for example, as part of the audit committee's annual report.	Whilst an annual Joint Audit Committee report is produced this does not comment on the effectiveness of Internal Audit.	Compliance with this Code, and the Head of Internal Audit's self-assessment against the new Global Internal Audit Standards, can be used to inform the effectiveness review of internal audit. Head of Internal Audit to work with the Chair of Joint Audit Committee to determine any further processes required to assess effectiveness. Head of Internal Audit to address by 31 May 2025		
3.4 External quality assessment				
On behalf of those charged with governance and the audit committee, senior management must ensure that internal audit has an external quality assessment at least once every five years of its	Latest external assessment was undertaken in 2022. Next assessment is due in 2027 which will also include compliance with this Code within its scope.			EQA report 2022

Code requirement	Current position	Action required	RAG	Evidence
conformance against GIAS (UK public sector), including this Code.				
Senior management should discuss the chief audit executive's plan for the review and report the options, suggested timing and their recommendation to the audit committee.	Senior management were involved in scoping the review in 2022 and will be involved in scoping the next review in 2027.			Reports to Joint Audit Committee on EQA process
The proposals for the scope, method of assessment and assessor should be brought to the audit committee for agreement. The assessor must use this Code alongside the standards and be familiar with the sector.	Reports were presented to Joint Audit Committee on selection processes and outcomes of the External Quality Assessment.			Reports to Joint Audit Committee on EQA process
The audit committee must receive the complete results of the assessment and consider the chief audit executive's action plan to address any recommendations. Progress should be monitored.	<p>The External Quality Assessment was circulated to members outside of the Joint Audit Committee formal meeting process due to timings of reporting. Joint Audit Committee Chair and Vice Chair were involved in the assessment and were interviewed by the Assessor.</p> <p>Actions were agreed with the Joint Audit Committee Chair and progress updates were reported as part of routine reporting.</p>			
Where the audit committee does not have delegated authority, the committee should report the overall results of the external quality assessment to those charged with governance.	The Head of Internal Audit shared the External Quality Assessment with senior management and Joint Audit Committee members upon its conclusion.			