



**CORPORATE GOVERNANCE COMMITTEE 24 NOVEMBER
2025**

**JOINT REPORT OF THE DIRECTOR OF CORPORATE
RESOURCES AND DIRECTOR OF LAW AND GOVERNANCE**

DRAFT INTERNAL AUDIT CHARTER – NOVEMBER 2025

Purpose of Report

1. The purpose of this report is to provide the Corporate Governance Committee (the Committee) with: -
 - a. A revised Draft Internal Audit Charter
 - b. An opportunity to review the draft, seek clarifications and suggest changes
 - c. A request to seek a delegation to the Director of Corporate Resources to make any necessary changes to the Internal Audit Charter.

Background

2. From April 2025, new Internal Audit Standards replaced the former Public Sector Internal Audit Standards. The new standards are designated as the Global Internal Audit Standards in the UK Public Sector (GIAS in the UK Public Sector). Conformance with these new standards has required the review and subsequent revision of the County Council's Internal Audit Charter.
3. The GIAS in the UK public Sector requires that the Chief Audit Executive (for the Council that is the Head of Internal Audit Service (HoIAS) develops and maintains an Internal Audit Charter that specifies, at a minimum, the Internal Audit function's: -
 - a. Purpose of Internal Audit;
 - b. Commitment to adhering to the Global Internal Audit Standards in the UK Public Sector;
 - c. Mandate, including scope and types of service provided, and the Committee's responsibilities and expectations regarding management's support of the internal audit function; and
 - d. The internal audit function's organisational position and reporting relationships.

(Standard 6.2)

Revised Draft Internal Audit Charter – November 2025

4. The revised draft Internal Audit Charter (the Charter) sets out the purpose and mandate for the Council's Internal Audit Service by reference to the GIAS in the UK Public Sector and the Accounts and Audit Regulations 2015. The Charter also covers the Committee's oversight function, roles and responsibilities and the scope and types of services to be provided by the Council's Internal Audit Service. The Charter is required to be formally agreed and approved by this Committee and periodically reviewed.
5. The Charter is based on a recommended template provided by the Chartered Institute of Internal Auditors (CIIA) to ensure that the wording of the new standards is appropriately included. Because the structure and headings of the Charter are new, it is difficult to set out the changes to the previous version (January 2024) for comparison, however, the key points of change are as follows: -
 - a. There is a new section referred to as the Mandate which is a requirement of the new standards (Standard 6.1). This refers to the authority for the Internal Audit function which is derived from legislation and the Accounts and Audit Regulations 2015;
 - b. The previous section on Audit Independence is now broader, covering Independence, Organisational Position and Reporting Relationships; and
 - c. The section on the Committee's Oversight is now more detailed, although there are no significant changes in content.
6. The Charter also takes account of the requirements set out in the CIPFA's Code of Practice on the Governance of Internal Audit in the UK local government (the Code) published in February 2025. A report on the implementation of the Code will be brought to a further Committee.
7. The revised draft Internal Audit Charter is attached as Appendix 1.

Resource implications

8. Time has been allocated in the 2025/26 Internal Audit Plan for the on-going implementation of the new standards and associated governance documents.

Equality and Human Rights Implications

9. None

Recommendations

10. The Committee reviews the revised draft Internal Audit Charter and agrees a delegation to the Director of Corporate Resources to make any necessary changes.

Background Papers

The Local Government Act 1972
 The Accounts & Audit Regulations 2015
 The Constitution of Leicestershire County Council

Reports to: -

Corporate Governance Committee (26 January 2024) – External Quality Assessment of the Internal Audit Service and the Revised Internal Audit Charter

<https://democracy.leics.gov.uk/documents/s180856/External%20Quality%20Assessment%20of%20the%20Internal%20Audit%20Service%20v2%20-%20clean.pdf>

Appendix 2 – the Internal Audit Charter (January 2024)

<https://democracy.leics.gov.uk/documents/s180858/Appendix%20%20-%20The%20Internal%20Audit%20Charter%202024.pdf>

Circulation under the Local Issues Alert Procedure

None.

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Appendices

Appendix 1 Draft revised Internal Audit Charter – November 2025

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