SUBJECT:	**INTERNAL AUDIT SECTION**
	INTERNAL AUDIT MANDATE, CHARTER & STRATEGY & METHODOLOGIES 2025
DIRECTORATE:	**Resources**
MEETING:	**Governance & Audit Committee**
DATE:	**1st May 2025**
DIVISION/WARDS AFFECTED: All	

1. PURPOSE

To inform members of the Council's Governance & Audit Committee of the updated Internal Audit Charter for Monmouthshire County Council in order to enable them to make an informed decision to approve the Internal Audit Charter and Internal Audit Strategy in line with the expectations of the Global Internal Audit Standards, the Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government

2. RECOMMENDATION(S)

That the Committee note the Internal Audit Mandate and Methodologies.

That the Committee endorse and approve the Internal Audit Charter and Strategy.

3. KEY ISSUES

3.1 The Global Internal Audit Standards (GIAS) came into force from January 2025 with an agreement that for the UK Public Sector implementation would be from April 2025.

3.2 GIAS replace the Public Sector Internal Audit Standards (PSIAS) which have been the Standards followed by Internal Audit teams across the UK Public Sector since April 2013.

3.3 The Global Internal Audit Standards require the Council to have an Internal Audit Charter which sets out how the Internal Audit Section will discharge its duties in compliance with those standards. There is also a requirement to have an Internal Audit Strategy to help guide the internal audit function towards the fulfilment of the Internal Audit mandate.

4. REASONS

4.1 'Internal auditing plays a critical role in enhancing an organisation's ability to serve the public interest. While the primary function of internal auditing is to strengthen governance, risk management, and control processes, its effects extend beyond the organisation. Internal auditing contributes to an organisation's overall stability and sustainability by providing assurance. This, in turn, fosters public trust and confidence in the organisation and the broader systems of which it is a part.' (Global Internal Audit Standards (GIAS) 2024)

Internal Audit Mandate

4.2 A professional, independent and objective Internal Audit service is one of the key elements of good governance in Local Government. The Council's Internal Audit Section will adhere to the Global Internal Audit Standards, subject to the interpretations and additional requirements set out in the Application Note of the Standards in the UK Public Sector, and the Code of Practice for the Governance of Internal Audit in UK Local Government. Through compliance with these standards, all members of the section adhere to the Ethics and Professionalism requirements of the Standards.

4.3 Monmouthshire County Council's internal audit function mandate is found in The Accounts and Audit (Wales) Regulations 2014, which states 'A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control' (Part 3, Regulation 7).

4.4 The Councils Financial Procedure Rules, contained within the Constitution, sets the key controls for Internal Audit within Monmouthshire County Council and the responsibilities of the Section 151 Officer to maintain a continuous and independent internal audit of the Authority's accounting, financial and other operations of the Authority.

4.5 The internal audit function's authority is created by its direct reporting relationship to the Governance and Audit Committee to which it has free and unrestricted access. The Local Government and Elections (Wales) Act 2021 requires the appointment of Governance and Audit Committees to oversee the authority's internal and external audit arrangements.

Internal Audit Charter (Appendix 1)

4.6 This report aims to make members of the Governance and Audit Committee aware of the revised Council's Internal Audit Charter in order to enable them to make an informed decision to approve The Charter.

4.7 The MCC Internal Audit Charter has been based upon the Public Sector Model Charter provided by the Institute of Internal Auditors but amended and expended to suit the operations of the Council.

4.8 The purpose of this Charter is to define what Internal Audit at Monmouthshire Council is and explain its purpose, authority and responsibility.

4.9 This Charter has been written in accordance with Standard 6.2 (Internal Audit Charter) of the GIAS.

4.10 Internal Audit has specific responsibilities and rights of access to people and documents written into the Council's Financial Procedure Rules which are included within the Charter, along with its objectives, roles and responsibilities, the staff involved and how it demonstrates its organisational independence. The expectations and responsibilities of the Chief Internal Auditor are also included within the Charter.

4.11 The Charter reinforces the point that Internal Audit provides assurance to Members and Senior Management and should not be involved with operational matters of service delivery. It reflects the requirements of the Standards for the Chief Internal Auditor to disclose any interference experienced in determining the scope of internal auditing, performing work and communicating results to the Governance and Audit Committee and to discuss the implications of any such interference. Similarly, any roles and responsibilities assigned to the Chief Internal Auditor beyond the scope of internal audit work should be disclosed to the Governance and Audit Committee and their implications discussed.

4.12 The expectations of how Internal Auditors will approach their work in terms of due professional care, integrity, independence, impartiality is written into the Charter; the work itself being delivered through an Audit Strategy, Methodology and an Annual Audit Plan. The reporting and quality assurance processes are also included, along with how relationships with the Team's stakeholders will be developed.

4.13 Dealing with fraud and irregularities is an important part of what the Internal Audit Team does in order to safeguard public money; it is important to include this aspect of its work within the Charter. How the Internal Audit Team will be resourced and continually developed through training has also been included.

4.14 The intention is to maintain the Charter as a working document, which from time to time, will need to be refreshed and updated. The Internal Audit Charter will therefore be reviewed every 3 years by the Chief

Internal Auditor and presented to the Strategic Leadership Team and the Governance & Audit Committee for approval.

Internal Audit Strategy (Appendix 2)

4.15 Standard 9.2 (Internal Audit Strategy) of the GIAS requires the chief audit executive to develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organization and aligns with the expectations of the Governance & Audit Committee, senior management, and other key stakeholders.

4.16 An internal audit strategy is a plan of action designed to achieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. An internal audit strategy helps guide the internal audit function toward the fulfilment of the internal audit mandate.

4.17 The requirement to have a 'strategy' is new as part of the move towards a global set of internal audit standards. The strategy aims to ensure accountability, transparency, and the efficient utilization of resources. It provides a structured approach for identifying, assessing, and managing risks, ensuring that the authority operates in compliance with relevant laws, regulations, and policies.

4.18 The Monmouthshire County Council Internal Audit teams vision is to is to:

- Safeguard public resources: Champion transparency and ensure the responsible management of taxpayers' funds to deliver value and meet community needs.

- Support robust governance: Strengthen risk management, compliance, and ethical practices across all departments, fostering an environment of excellence and accountability.

- Be a trusted advisor: Collaborate with stakeholders to provide actionable insights and strategic guidance that aligns with organizational goals and legislative requirements.

- Drive innovation: Promote adaptability and forward-thinking solutions that enable continuous improvement and responsiveness to changing needs.

- Enhance public trust: Demonstrate the highest standards of professionalism and objectivity, ensuring every audit contributes to building confidence in local government operations.

- Inspire internal auditors: To continuously improve emphasising the importance of fostering a culture of excellence and innovation within the internal audit team.

4.19 By delivering insightful recommendations and ensuring compliance with regulations, the internal audit team will be instrumental in shaping a Council that operates with transparency, efficiency, and a relentless commitment to serving its community.

Internal Audit Methodologies

4.20 The Chief Internal Auditor is required to engage the Governance & Audit Committee on the Audit Methodologies, although approval by Committee is not a requirement of the GIAS.

4.21 The Internal Audit Methodologies are being introduced from April 2025 and will be kept live and subject to regular evaluation of effectiveness by the Chief Internal Auditor. The Methodologies will be updated as considered necessary to improve the internal audit function and to respond to significant changes that may affect the function in accordance with GIAS Standard 9.3 - Methodologies. The Audit Methodologies have been sent to Committee members under separate cover.

5. RESOURCE IMPLICATIONS

None

6. CONSULTEES

Deputy Chief Executive and Chief Officer Resources
Strategic Leadership Team
Internal Audit Team

Results of Consultation:
To present the Internal Audit Charter and Strategy to the Governance & Audit Committee for approval.

7. EQUALITY IMPACT ASSESSMENT

There is no equality impact arising directly from this report.

8. SUSTAINABLE DEVELOPMENT IMPLICATIONS

None

9. BACKGROUND PAPERS

Global Internal Audit Standards
Application Note: Global Internal Audit Standards in the UK Public Sector
Code of Practice for the Governance of Internal Audit in UK Local Government
Section 151 of the Local Government Act 1972

Accounts and Audit (Wales) Regulations 2014

10. AUTHORS AND CONTACT DETAILS

Jan Furtek, Acting Chief Internal Auditor
01600 730521
janfurtek@monmouthshire.gov.uk

Appendix 1

INTERNAL AUDIT CHARTER

MAY 2025

Version	Draft v3
Author	Jan Furtek, Acting Chief Internal Auditor
Approved by	Governance & Audit Committee
Date of Approval	1st May 2025
Review Date	May 2028 (3 Years)

Table of Content

1. Introduction & Purpose

1.1 'Internal auditing plays a critical role in enhancing an organisation's ability to serve the public interest. While the primary function of internal auditing is to strengthen governance, risk management, and control processes, its effects extend beyond the organisation. Internal auditing contributes to an organisation's overall stability and sustainability by providing assurance. This, in turn, fosters public trust and confidence in the organisation and the broader systems of which it is a part.' (Global Internal Audit Standards 2024)

1.2 The purpose of this Charter is to define what Internal Audit is and explain its authority, responsibility and position within Monmouthshire County Council.

1.3 This Charter has been written in accordance with the Global Internal Audit Standards, the Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government and sets out how the Internal Audit Section will discharge its duties in compliance with those standards.

Professionalism

1.4 A professional, independent and objective Internal Audit service is one of the key elements of good governance in Local Government. The Council's Internal Audit Section will adhere to the Global Internal Audit Standards, subject to the interpretations and additional requirements set out in the Application Note of the Standards in the UK Public Sector, and the Code of Practice for the Governance of Internal Audit in UK Local Government. Through compliance with these standards, all members of the section adhere to the Ethics and Professionalism requirements of the Standards.

1.5 The Chief Internal Auditor will report periodically to the Governance and Audit Committee and senior management regarding the internal audit function's conformance with the Standards, Application Note and Code, which will be assessed through a quality assurance and improvement program in addition to External Quality Assessments as required by the Standards.

Purpose

1.6 The purpose of the internal audit function is to strengthen Monmouthshire County Council's ability to create, protect, and sustain value by providing the Council, Cabinet, Governance & Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

1.7 The purpose of this Charter is to define what Internal Audit is and explain its mission, authority, responsibility and position within Monmouthshire County Council.

1.8 The internal audit function enhances Monmouthshire County Council's:

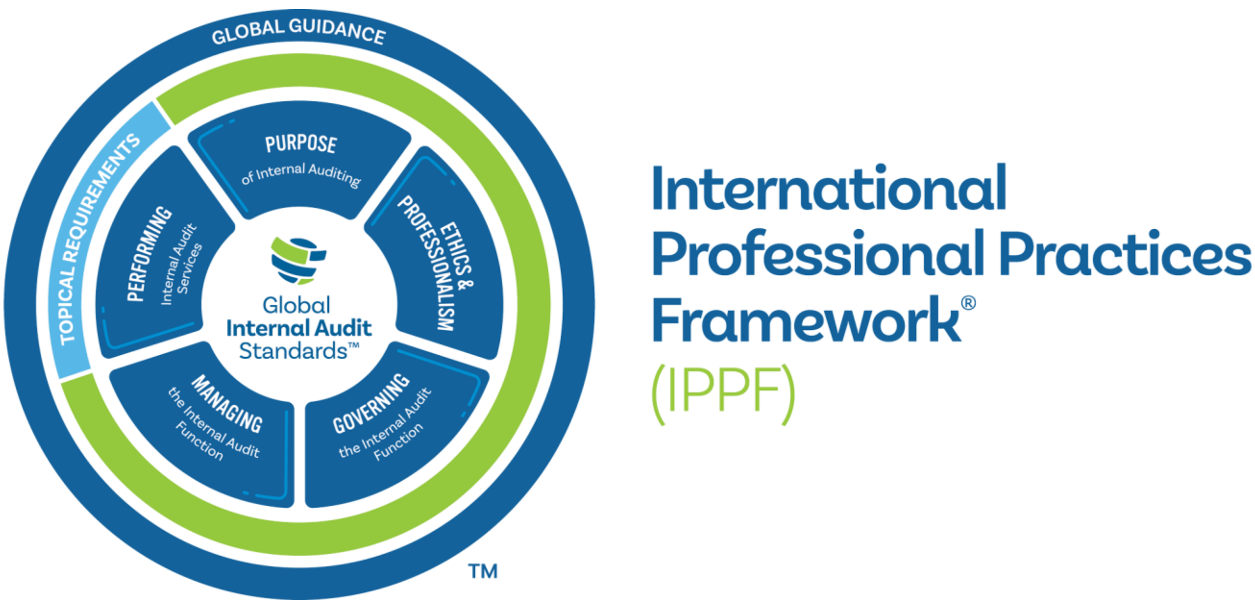
- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

1.9 Monmouthshire County Council's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards, which are set in the public interest.
- Act in compliance with the Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government.
- The internal audit function is independently positioned with direct accountability to the Governance & Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

1.10 The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements.



1.11 The Chief Internal Auditor will report annually to the Governance & Audit Committee and the Strategic Leadership Team regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

2. Mandate

Authority

2.1 Monmouthshire County Council's internal audit function mandate is found in The Accounts and Audit (Wales) Regulations 2014, which states 'A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control' (Part 3, Regulation 7).

2.2 The Councils Financial Procedure Rules, contained within the Constitution, sets the key controls for Internal Audit within Monmouthshire County Council and the responsibilities of the Section 151 Officer to maintain a continuous and independent internal audit of the Authority's accounting, financial and other operations of the Authority.

2.3 The internal audit function's authority is created by its direct reporting relationship to the Governance and Audit Committee to which it has free and unrestricted access. The Local Government and Elections (Wales) Act 2021 requires the appointment of Governance and Audit Committees to oversee the authority's internal and external audit arrangements.

2.4 The Chief Internal Auditor has unrestricted access to the Chair of the Governance & Audit Committee and also the Chair of the Cabinet.

2.5 The Governance & Audit Committee authorises the Chief Internal Auditor and their delegated representatives (the Internal Audit team) to:

- Have full and unrestricted access to all the Authority's 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. It may be necessary to limit access to the Chief Internal Auditor or named individuals as agreed where highly sensitive or confidential information is involved.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Monmouthshire County Council and other specialised services from within or outside to complete internal audit services.

2.6 All employees of Monmouthshire County Council are required to assist the internal audit function in fulfilling its roles and responsibilities.

2.7 The scope of Internal Audit allows for unrestricted coverage of the Authority's activities in order to review, report and provide the appropriate assurance based on its reviews to the Governance and Audit Committee.

2.8 In addition to the above, the Chief Internal Auditor will have unrestricted access to:-

- the Governance and Audit Committee
- the Chief Executive
- the Leader of the Council
- Members of the Council
- individual Strategic Directors, Chief Officers and Heads of Service
- all Authority employees.

Independence, Organisational Position, and Reporting Relationships

2.9 The Chief Internal Auditor 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. (See “Mandate” section.) The Chief Internal Auditor will report functionally to the Governance & Audit Committee and administratively (for example, day-to-day operations) to the Deputy Chief Executive & Strategic Director of Resources (the nominated Section 151 Officer). Internal Audit is part of the Resources Directorate. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Governance & Audit Committee, when necessary, without interference and supports the internal auditors’ ability to maintain objectivity.

2.10 The Chief Internal Auditor will confirm to the Governance & Audit Committee, at least annually, the organisational independence of the internal audit function. The Chief Internal Auditor will disclose to the Governance & 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 fulfill its mandate.

2.11 Internal Audit carry out some non-audit functions, including controlling the small number of remaining imprest accounts, issuing controlled stationery and undertaking financial appraisals for departments on request. The department also monitor the exemption procedure within the Council’s Contract Procedure Rules. The Chief Internal Auditor reports Officers the use of this process to the Governance & Audit Committee twice a year. The Chief Internal Auditor will report to the Governance & Audit Committee if, in their opinion, these non-audit functions impact on the independent of the Team or their ability to meet the requirements of the Global Internal Audit Standards.

Fraud, Corruption & Bribery

2.12 Chief Officers / Heads of Service / Operational Managers are responsible for managing risks in order to prevent fraud, irregularity, waste of resources, etc. Internal Audit will assist service colleagues to effectively manage these risks.

2.13 The Chief Internal Auditor is responsible for reviewing and updating the Council’s Anti-Fraud, Bribery and Corruption Policy and for promoting an anti-fraud culture within the Council. This is achieved by the following:

- line management and coordination of the Council’s Counter Fraud Officer who sits within the Internal Audit Team.
- specific detailed testing in high risk areas
- participation in the Cabinet Office National Fraud Initiative data matching exercise
- investigation of areas of concern identified through proactive work, routine audits, concerns of management or via the Council’s Whistleblowing Policy.

2.14 However, no level of controls can guarantee that fraud will not occur, even when the controls are performed diligently with due professional care.

2.15 Where there is evidence or reasonable suspicion that a fraud or irregularity has occurred, then this must be reported immediately to Internal Audit. All cases will be dealt with in accordance with the Council's '*Anti-Fraud, Corruption and Bribery Policy* and the '*Whistleblowing Policy'.*

Changes to the Mandate and Charter

2.16 Circumstances may justify a follow-up discussion between the Chief Internal Auditor, Governance & Audit Committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganisation within the organisation.
- Significant changes in the Chief Internal Auditor, Governance & Audit Committee, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

3. Governance & Audit Committee Oversight

3.1 The Governance and Audit Committee responsibilities are in accordance with the Committee's terms of reference as set out in the Council's Constitution.

3.2 To establish, maintain, and ensure that Monmouthshire County Council's internal audit function has sufficient authority to fulfill its duties, the Governance & Audit Committee will:

a) Discuss with the Chief Internal Auditor and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.

b) Ensure the Chief Internal Auditor has unrestricted access to and communicates and interacts directly with the Governance & Audit Committee, including in private meetings without senior management present. Any such meetings will be held in accordance with laws and/or regulations applicable to public records.

c) Discuss with the Chief Internal Auditor and senior management other topics that should be included in the internal audit charter.

d) Participate in discussions with the Chief Internal Auditor and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.

e) Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.

f) Review the internal audit charter periodically, at least every 3 years, with the Chief Internal Auditor to consider changes affecting the organisation, such as the employment of a new Chief Internal Auditor or changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter.

g) Approve the risk-based internal audit plan.

h) Provide input to the internal audit function's human resources administration.

i) Provide input to senior management on the appointment and removal of the Chief Internal Auditor, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.

j) Review and provide input to senior management on the Chief Internal Auditor's performance.

k) Receive communications from the Chief Internal Auditor about the internal audit function including its performance relative to its plan.

l) Ensure a quality assurance and improvement program has been established and review the results annually.

m) Make appropriate inquiries of senior management and the Chief Internal Auditor to determine whether scope or resource limitations are inappropriate.

n) Discuss and agree any specific exceptions and alternative arrangements to the essential criteria or wider Standards, in accordance with the sector specific interpretations of the Application Note.

3.3 In Monmouthshire County Council, the Governance & Audit Committee does not have direct oversight to the budget of the Internal Audit function. Therefore, this charter documents the alternative steps taken to achieve the intent of the Global Internal Audit Standards.

- As the Internal Audit budget is approved by a meeting of the Full Council, the Governance & Audit Committee should be consulted prior to any changes being made. They should advocate to senior management, for sufficient budget and resources allowing the internal audit function to fulfill its mandate and accomplish its audit plan.

3.4 The resources allocated to the internal audit function are outlined in Appendix 3, in conjunction with the reporting arrangements.

4. Chief Internal Auditor Roles and Responsibilities

Ethics and Professionalism

4.1 The standards of Ethics and Professionalism are set out within the Global Internal Audit Standards are followed in alignment with the Council's Employee Code of Conduct. The internal audit function will adhere to all relevant policies and procedures of Monmouthshire County Council.

4.2 The Chief Internal Auditor will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Uphold the Seven Principles of Public Life; selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

4.3 The Chief Internal Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Internal Auditor determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

4.4 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 judgment on audit matters to others, either in fact or appearance.

4.5 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 judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for Monmouthshire County Council or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Monmouthshire County Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

4.6 Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Chief Internal Auditor, Governance & Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.

- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

4.7 In all of the relationships the person/s concerned will be treated with respect, courtesy, politeness and professionalism. Any confidential or sensitive issues raised with, or reported to, Internal Audit staff will be dealt with in an appropriate manner. Where issues could cause embarrassment to the Council, the appropriate manager will be advised immediately so that the issue can be addressed without delay.

4.8 In accordance with the Councils Employee Code of Conduct, members of the Internal Aduit team will complete, on an annual basis, a Record of Employee Disclosure form and submit it to the Chief Internal Auditor for review and authorisation. A copy will be saved on the employees HR personnel file. Officers are not to be involved in areas of work where potential conflicts have been identified or could interpreted as being identified.

Managing the Internal Audit Function

4.9 The Chief Internal Auditor has the responsibility to:

a) At least annually, develop a risk-based internal audit plan that considers the input of the Governance & Audit Committee and senior management. Discuss the plan with the Governance & Audit Committee and senior management and submit the plan to the Governance & Audit Committee for review and approval.

b) Communicate the impact of resource limitations on the internal audit plan to the Governance & Audit Committee and senior management.

c) Review and adjust the internal audit plan, as necessary, in response to changes in Monmouthshire County Council’s business, risks, operations, programs, systems, and controls.

d) Communicate with the Governance & Audit Committee and senior management if there are significant interim changes to the internal audit plan.

e) Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and laws and/or regulations.

f) Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Governance & Audit Committee and senior management and for each engagement as appropriate.

g) Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards, the Application Note of the Standards in the UK Public Sector, the Code of Practice for the Governance of Internal Audit in UK Local Government, and fulfill the internal audit mandate.

h) Identify and consider trends and emerging issues that could impact Monmouthshire County Council and communicate to the Governance & Audit Committee and senior management as appropriate.

i) Consider emerging trends and successful practices in internal auditing.

j) Establish and ensure adherence to methodologies designed to guide the internal audit function.

k) Ensure adherence to Monmouthshire County Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Governance & Audit Committee and senior management.

l) Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Chief Internal Auditor cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Governance & Audit Committee.

Communication

4.10 The Chief Internal Auditor will report quarterly to the Governance & Audit Committee and senior management regarding:

a) The internal audit function's mandate.

b) The internal audit plan and performance relative to its plan.

c) Significant revisions to the internal audit plan.

d) Potential impairments to independence, including relevant disclosures as applicable.

e) Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards, the Application Note of the Standards in the UK Public Sector, and the Code of Practice for the Governance of Internal Audit in UK Local Government and action plans to address the internal audit function's deficiencies and opportunities for improvement.

f) Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Governance & Audit Committee that could interfere with the achievement of Monmouthshire County Council's strategic objectives.

g) Results of assurance and advisory services.

h) Resource requirements.

i) Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Monmouthshire County Council's risk appetite.

Quality Assurance and Improvement Program

4.11 The Chief Internal Auditor will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

4.12 Annually, the Chief Internal Auditor will communicate with the Governance & Audit Committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside Monmouthshire County Council.

5. Scope and Types of Internal Audit Services

5.1 The scope of internal audit services covers the entire breadth of Monmouthshire County Council, including all of activities, assets, and personnel. The Internal Audit Universe will be kept under review at least annually by the Chief Internal Auditor and members of SLT are required to communicate updates when new services are being implemented. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Governance & Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Monmouthshire County Council.

5.2 The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function 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.

5.3 Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of Monmouthshire County Council's strategic objectives are appropriately identified and managed.
- The actions of Monmouthshire County Council's members, officers, directors, management, employees, and contractors or other relevant parties comply with Monmouthshire County Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Monmouthshire County Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

5.4 Alongside the listed value for money requirements of GIAS Standard 9.1, auditors in the UK public sector must be aware of the importance of securing value for money and the definitions which define that term in their part of the UK public sector.

6. What is Expected from Managers and Staff

6.1 Managers and staff should co-operate with audit team, for example:

- Agreeing the scope of the audit promptly prior to the commencement of audit fieldwork.
- Providing Internal Audit with full support and co-operation, including complete access to all records, data, property and personnel relevant to the performance of their responsibilities at all levels of operations, without unreasonable delay.
- Responding to the draft internal report, including provision of management responses to recommendations, within the timescale requested by the Audit Team. Where a response is not forthcoming a reminder will be issued. However, if a response is still not received then the matter will be referred up to the Head of Service, Chief Officer, Strategic Director, Chief Executive or Governance & Audit Committee, as appropriate.
- Implementing agreed audit recommendations or management actions in accordance with the agreed timescales.
- Updating Internal Audit with progress made on audit recommendations.
- Informing Internal Audit of proposed changes and developments in processes and systems and newly identified significant risks.
- Where a contract or partnership arrangement exists, managers must ensure that a right of access for Internal Audit is documented within the agreement.
- Management are to notify the Chief Internal Auditor immediately, in accordance with the Council's Financial Procedure Rules and Anti-Fraud, Corruption & Bribery Policy, of any suspected breach, theft or loss of Council assets, and any suspected or detected fraud, bribery, corruption or impropriety.

6.2 Managers and staff are encouraged to feedback any comments which would help improve the future delivery of internal audit services during the audit and through the client questionnaire issued at the conclusion of each audit.

7. Reporting Standards

Audit Reports

7.1 All audit assignments will be the subject of formal report or memoranda. Where appropriate, draft reports will be sent to the managers responsible for the area under review for agreement of the factual accuracy of findings. After agreement, the final reports will be issued to the relevant Head of Service and Chief Officer.

7.2 Audit reports will:

- Show the findings based on a risk assessment e.g. critical, significant, or moderate risk, together with control strengths identified during the audit. The definition of risk ratings can be found in Appendix 1.
- Are balanced, showing strengths and weaknesses identified from the evidence obtained during the audit work.
- Include an action plan showing the audit recommendations, agreed management actions, responsible officer and the target date for implementation.
- Give a conclusion of the system of internal control as at the time of the audit. The conclusions used by Internal Audit will be in accordance with CIPFA - Internal Audit Engagement Opinions: Setting common definitions. These can be found as Appendix 2.
- Define the circulation of the draft and the final reports.
- All reports will be issued on behalf of the Chief Internal Auditor.

7.3 The Internal Audit function is fully committed to the Authority's Welsh Language Policy. Upon request, Internal Audit reports will be available bilingually in Welsh.

7.4 Audit report circulation/reporting structure:

- Operational managers will receive a draft report for discussion followed by the final report.
- Extracts from reports may be shared with additional Officers where it is considered that they will be the appropriate responsible officer to action the findings.
- Where an unfavourable conclusion has been reached, the respective Head of Service, Chief Officer and the Councils Section 151 Officer will be provided with a copy of the draft report for early insight.
- Heads of Service (and for schools, Chairs of Governors) and Chief Officers will receive a copy of all final reports within their service area.
- The Chief Executive and Strategic Leadership Team will receive a copy of all quarterly update reports presented to the Governance and Audit Committee and can request individual reports as required.
- To allow for effective coordination and to prevent a duplication of effort, reports both in draft and final form may be shared with the Councils External Auditor upon request.

- At the discretion of the Chief Internal Auditor, reports may be shared with external regulators (such as but not limited to, Care Inspectorate Wales, Social Care Wales, ESTYN, the Health & Safety Executive etc.) and also to external agencies such as the Police or other law enforcement agencies.

Errors and Omissions

7.5 In accordance with GIAS Standard 11.4 – Errors and Omissions, if a final engagement communication contains a significant error or omission, the Chief Internal Auditor must communicate corrected information promptly to all parties who received the original communication. Significance is determined according to the following criteria.

7.6 The error or omission will be deemed significant if:

a) It would result in a Critical recommendation being added or removed from the

b) It would result in a change to the overall conclusion for the audit.

7.7 In the event of any error or omission, on a case-by case basis the Chief Internal Auditor will:

- Evaluate whether the mistaken or omitted information could have legal or regulatory consequences or change the findings, conclusions, recommendations, or management's action plans, and the significance of this relative to the objectives of the respective audit engagement.
- Determine the most appropriate method of communication so that the corrected information is received by all parties who received the original communication.
- Identify the cause of the error or omission and take corrective action to prevent a similar situation from occurring in the future.

Communicating the Acceptance of Risks

7.8 In accordance with GIAS Standard 11.5, the Chief Internal Auditor must communicate unacceptable levels of risk.

7.9 When the Chief Internal Auditor concludes that management has accepted a level of risk that exceeds the Council's risk appetite or risk tolerance, as defined within the Risk Management Policy, the matter must be discussed with senior management. If the Chief Internal Auditor determines that the matter has not been resolved by senior management, the matter will be escalated to the Governance and Audit Committee. It is not the responsibility of the Chief Internal Auditor to resolve the risk.

7.10 The Councils established risk management process is the preferred approach to communicating significant risks. The following approach will be followed;

- In the event that a matter identified already sits on the corporate risk register, and has been appropriately recorded as exceeding the Council's risk appetite or tolerance, it will be considered that the risk has already been appropriately reported to the Governance and Audit Committee as part of quarterly reporting on corporate risk management.
- In the event that management agree to update the corporate risk register to appropriately report the identified risk, the Chief Internal Auditor will escalate the matter to the Governance and Audit Committee in their next quarterly progress report and will provide appropriate details.
- In any case where the Chief Internal Auditor considers the risk is / will not be reported as necessary through the risk management process the Chief Internal Auditor will generally

escalate the risk to the Governance and Audit Committee as part of their next quarterly progress report.

- Consideration will be given to the significance of the risk, and the necessity to inform the Chair of the Governance and Audit Committee more promptly on a case-by-case basis.
- Timescales for reporting will be informed by any professional advice or guidance required, such as legal counsel or from other compliance functions / advisors.
- Reporting will include a description of risk, the reason for concern, management's reason for not implementing internal auditors' recommendations or other actions, those responsible for accepting the risk, and the date of discussions.

8. Exceptions to the Global Internal Audit Standards and Alternative Arrangements

8.1 The Application Note provides UK public sector-specific context, interpretations of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which are considered essential for the practice of internal audit in the UK public sector. In accordance with the interpretations of the Application Note for auditors working in the UK public sector, the following paragraphs outline the areas where alternative arrangements will be followed. The elements of the Standards which will not be followed, and the alternative approach being taken in accordance with the Application Note, are set out below.

8.1 **Standard 6.3 Board and Senior Management Support**
The following element of the essential criteria for this standard will not be met in full by the Governance and Audit Committee - "Demonstrate support by approving the internal audit charter, internal audit plan, budget, and resource plan".

Alternative Arrangement: The Governance and Audit Committee will engage in, but will not approve the internal audit budget and resource plan.

8.2 **Standard 7.1 Organisational Independence**
In accordance with the Code, the following elements of the essential criteria for this standard will not be met in full by the Governance and Audit Committee – "Authorise the appointment and removal of the chief audit executive" and "Provide input to senior management to support the performance evaluation and remuneration of the chief audit executive." Accordingly, senior management will not "Provide input to the board on the appointment and removal of the chief audit executive."

Alternative Arrangement: The Governance and Audit Committee may comment on, but will not authorise the appointment and removal of the Chief Internal Auditor. Via the Chairperson, input will be provided to support the performance evaluation of the Chief Internal Auditor, but in accordance with the Councils Job Evaluation Scheme, the renumeration of the Chief Internal Auditor would not be a responsibility of the Committee.

8.3 **Standard 8.2 Resources**
There is a requirement in this Standard, with associated essential conditions, that "the chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan. If not, the chief audit executive must develop a strategy to obtain sufficient resources and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed".

Alternative Arrangement: The Chief Internal Auditor will follow the interpretation of the Application Note in meeting the requirements as follows: "The chief audit executive may have no ability to develop resource management approaches distinct from their organisation and tailored to the needs of the internal audit function. The chief audit executive's ability to develop a strategy to obtain sufficient resources and address shortfalls may also be constrained by their organisation's legal or regulatory obligations. In such circumstances to fulfil GIAS 8.2 the chief audit executive must develop a resource strategy which suggests practical approaches for consideration by the board. To supplement this the chief audit executive must set out in the Charter what alternative approaches apply to the internal audit service." The alternative approaches in respect of financial resource management, human resource management and technological resources are set out in the following sections of this Charter with further reference to Standards 10.1 – 10.3.

8.4 **Standard 8.4 External Quality Assessment**

The Standard includes the following - “When selecting the independent assessor or assessment team, the chief audit executive must ensure at least one person holds an active Certified Internal Auditor designation.”

Alternative Arrangement: The interpretation of the Application Note will be followed, which has determined that this requirement is “replaced by a requirement that at least one person have the characteristics outlined for chief audit executive qualification.” The Application Note states that “such a person would normally have an understanding of the GIAS commensurate with the Certified Internal Auditor designation, including internal audit relevant continuing professional development and an understanding of how the GIAS are applied in the UK public sector. These matters must be considered as part of the selection process.”

8.5 **Standard 9.5 – Coordination and Reliance**

The Standard requires the following - “The chief audit executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimises duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by providers. If unable to achieve an appropriate level of coordination, the chief audit executive must raise any concerns with senior management and, if necessary, the board. When the internal audit function relies on the work of other assurance service providers, the chief audit executive must document the basis for that reliance and is still responsible for the conclusions reached by the internal audit function.”

Alternative Arrangement: The Chief Internal Auditor will follow the interpretation of the Application Note in meeting the requirements as follows, with communication being to the Governance and Audit Committee: “In the UK public sector, there are various relevant outside assurance providers whose authority flows from separate legal or regulatory sources beyond the control or influence of the chief audit executive. The chief audit executive may not have any ability to access the work of those assurance providers or gain insight into the scope and timing of their work. Under these circumstances the chief audit executive must consider whether it is possible or practical to co-ordinate. Where they do not coordinate, they must set out to the board the barriers to being able to achieve effective coordination.” Standards 10.1 – 10.3 The GIAS section on ‘Applying the Global Internal Audit Standards in the Public Sector’ notes that funding processes for internal audit functions vary, that some governance and organisational structures do not give boards authority over budget and that such conditions prevent the chief audit executive from being able to seek or obtain additional funding due to other funding priorities within the organisation. Chief audit executives may also be constrained in the way in which they use financial resources and manage human and technological resources. In accordance with the ‘Application note’ the Chief Internal Auditor is not expected to follow the requirements of Resources (GIAS Standard 10.1 Financial Resource Management, GIAS Standard 10.2 Human Resources Management, GIAS Standard 10.3 Technological Resources), if they cannot develop distinct resource management approaches that achieve the objectives of those standards. Instead, the Chief Internal Auditor 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. These details are provided below.

8.6 **Standard 10.1 Financial Resource Management**

The requirements are that: “The chief audit executive must manage the internal audit function’s financial resources. The chief audit executive must develop a budget that enables the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the resources necessary for the function’s operation, including training and acquisition of technology and tools. The chief audit executive must manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget. The chief audit executive must seek budget approval from the board. The chief audit executive must communicate promptly the impact of insufficient financial resources to the board and senior management.”

Alternative Arrangement: In place of the above standard, the following financial resource management approach will be followed.

- The Chief Internal Auditor will consider the financial resources required to deliver the internal audit strategy and achievement of the plan on an ongoing basis.
- The Chief Internal Auditor will communicate the impact of insufficient resources to the Governance and Audit Committee and senior management promptly.
- The Chief Internal Auditor will manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget and the controllable budget position will be reported to the Governance and Audit Committee in an annual report.
- The Chief Internal Auditor will ensure that audit staff have an appropriate combination of training and supervision, in accordance with the training plan and quality assurance and improvement plan to deliver audit objectives effectively. In the event that there is insufficient knowledge and skills within the team to deliver any area of the audit plan, consideration will be given to buying in expertise to achieve the audit objectives.

8.7 **Standard 10.2 Human Resource Management**

The requirements are that: "The chief audit executive must establish an approach to recruit, develop, and retain internal auditors who are qualified to successfully implement the internal audit strategy and achieve the internal audit plan. The chief audit executive must strive to ensure that human resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan. Appropriate refers to the mix of knowledge, skills, and abilities; sufficient refers to the quantity of resources; and effective deployment refers to assigning resources in a way that optimises the achievement of the internal audit plan. The chief audit executive must communicate with the board and senior management regarding the appropriateness and sufficiency of the internal audit function's human resources. If the function lacks appropriate and sufficient human resources to achieve the internal audit plan, the chief audit executive must determine how to obtain the resources or communicate timely to the board and senior management the impact of the limitations. (See also Standard 8.2 Resources.) The chief audit executive must evaluate the competencies of individual internal auditors within the internal audit function and encourage professional development. The chief audit executive must collaborate with internal auditors to help them develop their individual competencies through training, supervisory feedback, and/or mentoring. (See also Standard 3.1 Competency.)"

<u>Alternative Arrangement</u>: In place of the above standard, the following financial resource management approach will be followed.

- The Council's corporate policies and procedures are followed in all human resources processes Post entry training applications can be submitted by auditors, will be considered by the Chief Internal Auditor,
- On the job training and supervision arrangements are in place as part of the quality assurance and improvement programme.
- A Training Plan is in place for all auditors, and personal reviews are used to identify any further training needs, informed by audit supervision processes, audit review points, and associated post audit assessments on each engagement.

8.8 **Standard 10.3 Technological Resources**

The requirements are that: "The chief audit executive must strive to ensure that the internal audit function has technology to support the internal audit process. The chief audit executive must regularly evaluate the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency. When implementing new technology, the chief audit executive must implement appropriate training for internal auditors in the effective use of technological resources. The chief audit executive must collaborate with the organisation's information technology and information security functions to implement technological resources properly. The chief audit executive must communicate the impact of technology limitations on the effectiveness or efficiency of the internal audit function to the board and senior management."

Alternative Arrangement: In place of the above standard, the following financial resource management approach will be followed.

- The Chief Internal Auditor is required to ensure that the internal audit function has technology to support the internal audit process, but this will be undertaken both in the context of the budget and corporate technology initiatives.
- The Chief Internal Auditor will regularly evaluate the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency.
- The general approach to meeting the technology needs of the internal audit service will be through engagement with the Shared Resource Service.
- When implementing new technology, the Chief Internal Auditor there will be appropriate training in place.
- The Chief Internal Auditor will discuss any required technology needs that cannot be provided in-house or via corporate systems and technology with the Section 151 Officer, and any gaps in technology impacting on the efficient and effective running of the service will be reported to the Governance and Audit Committee and senior management.

Approved by the Governance & Audit Committee at its meeting on 1st May 2025

Acknowledgments/Signatures

Jan Furtek Chief Internal Auditor	Date
Andrew Blackmore Chair of the Governance & Audit Committee	Date
Paul Matthews Chief Executive	Date
Peter Davies Deputy Chief Executive & Strategic Director (Resources) Section 151 Officer	Date

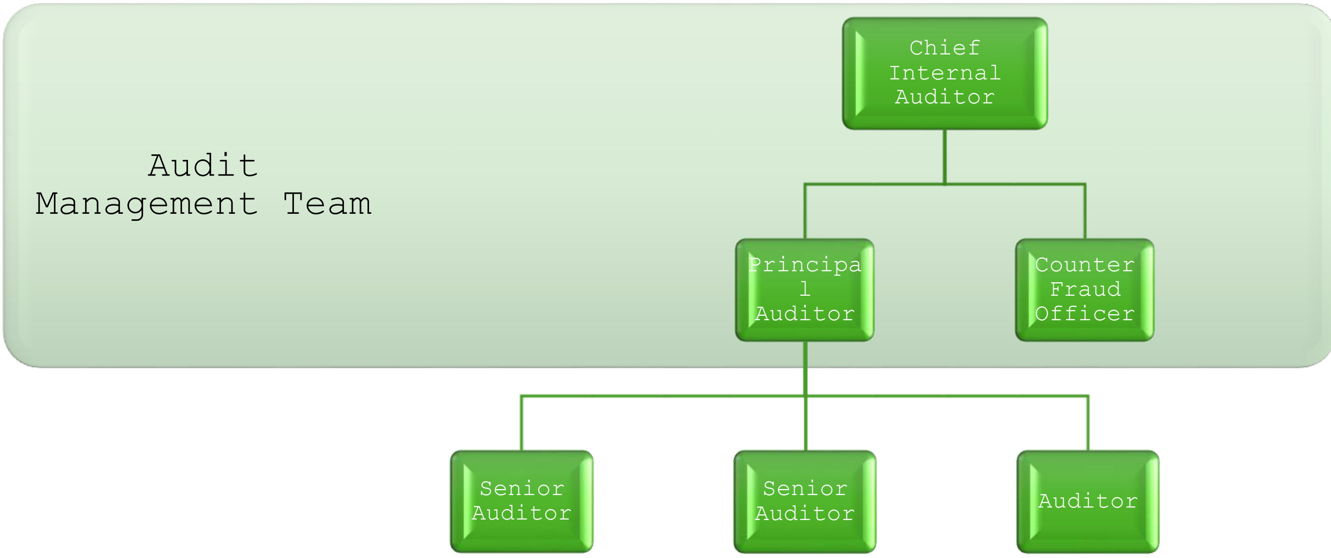
Appendix 1 - Internal Audit Risk Ratings and Definitions

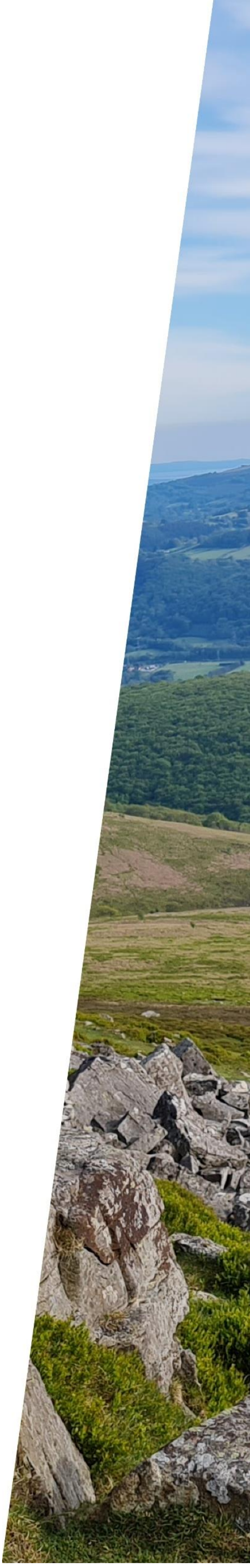
RISK RATING	DESCRIPTION
CRITICAL	Major or unacceptable risk which requires immediate action.
SIGNIFICANT	Important risk that requires attention as soon as possible.
MODERATE	Risk partially mitigated but should still be addressed.
STRENGTH	No risk. Sound operational controls and processes confirmed.

Appendix 2 - Internal Audit Conclusions and Definitions

CONCLUSION	DESCRIPTION
SUBSTANTIAL ASSURANCE	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
REASONABLE ASSURANCE	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
LIMITED ASSURANCE	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
NO ASSURANCE	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Appendix 3 – Internal Audit Team Structure (March 2025)





monmouthshire
sir fynwy

Appendix 2

INTERNAL AUDIT STRATEGY

MAY 2025

Version	Draft v3
Author	Jan Furtek, Acting Chief Internal Auditor
Approved by	Governance & Audit Committee
Date of Approval	1st May 2025
Review Date	May 2028 (3 Years)

Table of Content

1. Introduction & Purpose

1.12 The objective of this internal audit strategy is to describe the framework for conducting audits within Monmouthshire County Council that will support the strategic objectives and success of the Council and aligns with the expectations of the Governance & Audit Committee, senior management, and other key stakeholders. The strategy aims to ensure accountability, transparency, and the efficient utilisation of resources. It provides a structured approach for identifying, assessing, and managing risks, ensuring that the authority operates in compliance with relevant laws, regulations, and policies.

1.13 It is a requirement of the Global Internal Audit Standards that the vision and strategic objects of the Internal Audit Team is documented.

Standard 9.2 Internal Audit Strategy

The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organisation and aligns with the expectations of the board, senior management, and other key stakeholders. An internal audit strategy is a plan of action designed to achieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. An internal audit strategy helps guide the internal audit function toward the fulfillment of the internal audit mandate. The chief audit executive must review the internal audit strategy with the board and senior management periodically.

1.14 The Internal Audit Strategy is designed to be read in conjunction with the Monmouthshire County Council Internal Audit Charter.

2. Objectives of Internal Audit

2.1 The primary objectives of the internal audit team are:

a) To deliver independent assurance regarding the adequacy and effectiveness of the authority's risk management, control, and governance processes.

b) To support the authority in achieving its strategic aims and objectives by providing recommendations for enhancing processes and systems.

c) Fulfilment of the Internal Audit Mandate as contained within the Internal Audit Charter.

d) To ensure compliance with statutory and regulatory requirements.

e) To foster a culture of continuous improvement within the authority.

f) Deliver audit services in accordance with the Global Internal Audit Standards, subject to the interpretations and additional requirements set out in the Application Note of the Standards in the UK Public Sector, and the Code of Practice for the Governance of Internal Audit in UK Local Government.

g) Support managers to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as being unacceptable.

3. Vision of Internal Audit

3.1 The internal audit team aspires to be a cornerstone of accountability, integrity, and continuous improvement within Monmouthshire County Council. By providing independent, objective assurance and consulting services, the team will empower decision-makers, enhance public trust, and drive the efficient use of resources.

3.2 Our vision is to:

- **Safeguard public resources**: Champion transparency and ensure the responsible management of taxpayers' funds to deliver value and meet community needs.

- **Support robust governance**: Strengthen risk management, compliance, and ethical practices across all departments, fostering an environment of excellence and accountability.

- **Be a trusted advisor**: Collaborate with stakeholders to provide actionable insights and strategic guidance that aligns with organisational goals and legislative requirements.

- **Drive innovation**: Promote adaptability and forward-thinking solutions that enable continuous improvement and responsiveness to changing needs.

- **Enhance public trust**: Demonstrate the highest standards of professionalism and objectivity, ensuring every audit contributes to building confidence in local government operations.

- **Inspire internal auditors**: To continuously improve emphasising the importance of fostering a culture of excellence and innovation within the internal audit team.

3.3 By delivering insightful recommendations and ensuring compliance with regulations, the internal audit team will be instrumental in shaping a Council that operates with transparency, efficiency, and a relentless commitment to serving its community.

4. Governance and Oversight

4.1 Effective governance and oversight are critical to the success of the internal audit strategy. The Governance & Audit Committee and the Senior Leadership Team will play a pivotal role in:

a) Providing oversight and direction to the internal audit function.

b) Ensuring that the audit process is conducted in accordance with established standards and practices.

c) Reviewing and approving the audit plan and reports.

d) Monitoring the implementation of audit recommendations.

5. Continuous Professional Development

5.1 Continuous professional development for auditors is crucial to maintaining high standards of audit quality and effectiveness. The Chief Internal Auditor will ensure there are opportunities to help internal auditors develop their competencies. This can be achieved through:

- Regular participation in professional training programs and workshops.
- Obtaining industry-recognised certifications and qualifications.
- Engaging in peer reviews and benchmarking exercises.
- Staying updated with the latest developments in audit methodologies, regulations, and best practices.
- Encouraging knowledge sharing and collaboration among audit staff.

6. Continuous Improvement

6.1 The internal audit strategy promotes a culture of continuous improvement by:

- Regularly reviewing and updating the audit universe, audit methodologies and practices.
- Incorporating feedback from stakeholders, the Senior Leadership Team and the Governance & Audit Committee to better understand their expectations and provide valuable insight.
- Adopting best practices and industry standards.
- Enhancing the skills and capabilities of audit personnel.
- The Chief Internal Auditor regularly evaluating the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency.

7. Review

7.1 This internal audit strategy will be adjusted on a periodic basis or whenever changes occur to Monmouthshire County Councils strategic objectives. Factors that may prompt a more frequent review of the internal audit strategy include:

- Changes in the Council’s strategy or the maturity of its governance, risk management, and control processes.
- Significant changes in the Council’s Constitution, policies and procedures or relevant laws and/or regulations.
- Significant changes in members of the Governance & Audit Committee, senior management, or the Chief Internal Auditor.
- Results of internal and external assessments of the internal audit function.