

## Internal Audit Mandate

(per the Internal Audit Charter approved by Audit & Accounts Committee on 4<sup>th</sup> June 2025)

### 1 What is Internal Auditing?

- 1.1 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

### 2 Authority of the Internal Audit service:

- 2.1 Cambridgeshire County Council's internal audit function's mandate is found in the Accounts & Audit Regulations (2015), which state:

*"5.(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*

*(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—*

*(a) make available such documents and records; and*

*(b) supply such information and explanations;*

*as are considered necessary by those conducting the internal audit.*

*(3) In this regulation "documents and records" includes information recorded in an electronic form."*

- 2.2 The internal audit function's authority is created by its direct reporting relationship to the Audit & Accounts Committee. Such authority allows for unrestricted access to the Audit & Accounts Committee. The Audit & Accounts Committee authorizes the internal audit function to:

- 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.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives in line with Global Internal Audit Standards.
- Obtain assistance from the personnel of Cambridgeshire County Council and other specialized services from within or outside the Council to complete internal audit services.

### 3 Organisational Position & Independence:

- 3.1 The Head of Internal Audit is positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function.
- 3.2 The Head of Internal Audit will report functionally to the Audit & Accounts Committee and administratively (for example, day-to-day operations) to the Monitoring Officer. The Head of Internal Audit will also have regular, one-to-one meetings with the Chief Executive. This arrangement provides the authority and ability to bring matters directly to senior management and escalate matters to the Audit & Accounts Committee, when necessary, without interference. It also supports internal auditors' ability to maintain objectivity.
- 3.3 The Head of Internal Audit will confirm to the Audit & Accounts Committee at least annually, the organizational independence of the Internal Audit function. If the governance structure does not support organizational independence, the Head of Internal Audit will document the characteristics of the governance structure which limit independence, and any safeguards employed to achieve the principle of independence. The Head of Internal Audit will disclose to the Audit & Accounts Committee any interference encountered related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of any interference on the Internal Audit function's effectiveness and ability to fulfil its mandate.

#### **4 What is the Internal Audit service here for?**

- 4.1 The scope of internal audit activities encompasses (but is not limited to) objective examinations of evidence to provide independent assurance and advisory services to the Audit & Accounts Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Cambridgeshire County Council. The scope of Internal Audit services covers the entire breadth of the organisation, including all of Cambridgeshire County Council's activities, assets, and personnel.
- 4.2 Internal Audit's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. At Cambridgeshire County Council, that means:
  - Developing a forward plan of audit work (the Internal Audit Plan) which identifies and assesses key risk areas for the Council, in order to allocate Internal Audit resource to provide independent and objective assurance over the most high-risk areas.
  - Updating the Audit Plan on a regular basis as the risk environment changes, taking into account the views of senior management, Councillors and the Audit & Accounts Committee.

- Supporting senior management in identifying opportunities for improving value for money and effective governance and control. Agreeing recommended actions to be taken after each audit. Looking beyond financial issues to consider wider issues such as the organisation's operations, reputation, growth, its impact on the environment and the way it treats its employees.
- Reporting on the outcomes of individual pieces of Internal Audit work, and the implementation of recommended actions, to senior management and the Audit & Accounts Committee.
- Drawing on the results of audit work undertaken throughout the year to provide a comprehensive, independent Annual Opinion on the adequacy and effectiveness of the Council's framework of governance, control environment and risk management.

## **5 Compliance with Global Internal Audit Standards (GIAS)**

- 5.1 Internal Audit will govern itself by adherence to the mandatory elements of the Chartered Institute of Internal Auditor's (IIA) International Professional Practices Framework, which are the Global Internal Audit Standards (GIAS) and the Topical Requirements, subject to the interpretations and additional requirements set out in the Application Note on Global Internal Audit Standards in the UK Public Sector issued by the Relevant Internal Audit Standard Setters (RIASS) and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government. Through this, Internal Audit will provide a robust, high-quality audit service that delivers honest, evidenced assurance.
- 5.2 An internal self-assessment of compliance with GIAS is conducted annually by the team, with an external review at least once every five years by a qualified, independent assessor or assessment team from outside Cambridgeshire County Council. Any non-conformance with GIAS identified by this review, or at any other time, will be reported to the Audit & Accounts Committee.
- 5.3 The Head of Internal Audit will report at least annually to the Audit & Accounts Committee and senior management regarding the Internal Audit function's conformance with the Standards, including the outcomes of the annual self-assessment and any external assessments, and the results of the Quality Assurance and Improvement Programme.

## **6 Changes to the Mandate & Charter**

- 6.1 Circumstances may justify a follow-up discussion between the Head of Internal Audit, Audit & Accounts 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, or new laws or regulations that may affect the nature and/or scope of internal audit services.
  - Significant reorganisation within the Council, or changes in the Head of Internal Audit, Audit & Accounts Committee, and/or senior management.
  - Significant changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates.
- 6.2 In the absence of specific circumstances prompting updates to the document, the Internal Audit Mandate & Charter will be re-presented to the Audit & Accounts Committee for review at least once every three years.