



AGENDA ITEM: 8

AUDIT AND GOVERNANCE COMMITTEE:

29 January 2013

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

**Contact for further information: Mr M.Coysh (Extn. 2603)
(E-mail: mike.coysh@westlancs.gov.uk)**

SUBJECT: INTERNAL AUDIT CHARTER

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To consider proposals for a new Internal Audit Charter.

2.0 RECOMMENDATION

2.1 That the Audit Charter attached at appendix 1 be approved to take effect from 1/4/2013

3.0 BACKGROUND

3.1 The Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 (The Code) requires Internal Audit's terms of reference to be formally approved by the authority and in West Lancashire this has been achieved by incorporating them into an Internal Audit Charter.

3.2 The Terms of reference of this Committee include approval of the Internal Audit Charter. The current Charter was adopted some years ago and it now requires updating to reflect changes which have taken place in the authority since it was drawn up.

4.0 CURRENT POSITION

4.1 The Internal Audit Charter forms part of the framework which demonstrates compliance with The Code thereby discharging the Authority's statutory duty to

maintain an adequate and effective system of internal audit of its accounting records and system of internal control.

4.2 The Charter is a key document which:

- supports the organisational independence of Internal Audit
- sets out Internal Audit's remit
- defines Internal Audit's reporting lines

4.3 The proposed Charter has been substantially redrafted to make it clearer and easier to read than its predecessor, bring it into line with current committee arrangements, management structures and job titles and reflect changes to Internal Audit's remit following service restructuring. For comparative purposes the existing Internal Audit Charter has also been included as an appendix to this report.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

6.1 All the proposals in this report are covered by existing budget provisions.

7.0 RISK ASSESSMENT

7.1 The formal approval of terms of reference for Internal Audit is required for compliance with the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. This Internal Audit Charter contains Internal Audit's terms of reference. Approval of the Charter is a key step in ensuring that the Council can demonstrate compliance with one of its statutory obligations.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

1. Proposed new Internal Audit Charter
2. Existing Internal Audit charter