



AGENDA ITEM: 7

AUDIT AND GOVERNANCE COMMITTEE:

27 January 2015

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

**Contact for further information: Mr M.Coysh (Extn. 2603)
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SUBJECT: INTERNAL AUDIT CHARTER

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To consider revisions to the Internal Audit Charter.

2.0 RECOMMENDATION

2.1 That the Internal Audit Charter attached at Appendix 1 be approved to take effect from 1/4/2015.

3.0 ISSUES

3.1 The Terms of Reference of this Committee include approval of the Internal Audit Charter (the Charter).

3.2 The Charter was revised to ensure consistency with the Public Sector Internal Audit Standards (the Standards) which came into effect from 1/4/2013.

3.3 The Standards require the purpose, authority and responsibility of internal audit to be formally defined in an internal audit charter which must be periodically reviewed by the Audit Manager and presented to senior management and Audit and Governance Committee for approval.

3.4 The existing Charter has been reviewed in the light of current guidance and a revised document with the revisions highlighted by tracked changes is attached as Appendix 1 to this report.

3.5 A number of changes have been made to reflect emerging guidance, improve readability or clarify the existing provisions of the Charter. The main changes are as follows:

- A new paragraph setting out the relationship between the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors International Professional Practices Framework including the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal auditing.
- The inclusion of the definition of internal auditing.
- The insertion of a section dealing with the new requirements for an internal audit Quality Assurance and Improvement Programme.
- The signing of the Charter by the Chairman of Audit and Governance and the Joint Managing Directors to give due weight to its application in practice.

3.6 Members are asked to approve the version with the tracked amendments accepted into the document, in readiness for signature by those identified at the end of it.

4.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

4.1 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.

5.0 FINANCIAL AND RESOURCE IMPLICATIONS

5.1 There are no significant financial or resource implications arising from this report as the review of the Charter is included in existing budget provisions.

6.0 RISK ASSESSMENT

6.1 The formal approval and periodic review of the Internal Audit Charter is required by the Public Sector Internal Audit Standards. Approval of the Charter is therefore a key step in ensuring that the Council complies with statutory requirements.

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. INTERNAL AUDIT CHARTER.