



AUDIT AND GOVERNANCE COMMITTEE:

24 July 2018

Report of: Borough Treasurer

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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 immediately.

3.0 BACKGROUND

3.1 The Public Sector Internal Audit Standards (PSIAS) 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.

3.2 The Terms of Reference of this Committee include approval of the Internal Audit Charter (the Charter). The current version was approved in January 2015.

3.3 The Charter has been revised to take account of current guidance and the draft was presented for review during the external quality assessment of Internal Audit's conformance to the PSIAS and suggestions made were incorporated into the final version.

3.4 As the Charter has undergone a significant revision it is not practical to track the differences between versions in detail. The revised Charter is attached at Appendix 1 and the previous version at Appendix 2 to this report for information.

4.0 The key changes embodied in the new Charter are the inclusion of:

- the Institute of Internal Auditors' definition of Internal Audit
- the legal framework for internal audit in the public sector
- a mission statement
- explanation of the role and responsibility of management within the Council
- a definition of Internal Audit's purpose
- formal recognition of the requirement for individual Internal Auditors to comply with the code of ethics embodied in the Institute of Internal Auditors International Professional Practices Framework.

5.0 SUSTAINABILITY IMPLICATIONS

5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

6.1 The financial and resource implications arising from activity identified in this report are included in existing budget provisions.

7.0 RISK ASSESSMENT

7.1 The formal approval and periodic review of the Internal Audit Charter is required by the PSIAS. 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. Revised Internal Audit Charter.
2. Previous Internal Audit Charter (approved 2015).