

## **REPORT TO AUDIT & GOVERNANCE**

**Date of Meeting: 11th MARCH 2015**

**Report of: AUDIT MANAGERS**

**Title: INTERNAL AUDIT CHARTER**

### **Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

### **Is this an Executive or Council Function? COUNCIL**

#### **1. What is the report about?**

The Internal Audit Charter defines what Internal Audit is and explains its purpose, authority and responsibility. The Public Sector Internal Audit Standards (PSIAS) require that the Charter is reviewed and updated every two year or following a change to the service. The Charter was last approved by this committee in June 2013, but in view of a reduction in internal audit resources with effect from 01 April 2015, now requires updating to reflect these changes.

#### **2. Recommendations:**

2.1 The Audit and Governance Committee approve the updated Internal Audit Charter

#### **3. Reasons for the recommendation:**

3.1 To meet the requirements of the Public Sector Internal Audit Standards.

#### **4. What are the resource implications including non financial resources.**

None.

#### **5. Section 151 Officer comments:**

5.1 There are no financial implications contained in the report. The update is required to reflect the change in service provision.

#### **6. What are the legal aspects?**

None.

#### **7. Monitoring Officer's comments:**

This report raises no issues for the Monitoring Officer.

#### **8. Report details:**

8.1 The internal audit charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. It establishes the internal audit activity's position within the organisation; authorises access to records, personnel and physical properties relevant to the

performance of engagements and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the Audit and Governance Committee.

8.2 In addition to the above, for public sector bodies the charter must also:

- define the terms 'board' and 'senior management' for the purposes of internal audit activity
- cover the arrangements for appropriate resourcing
- define the role of internal audit in any fraud-related work, and
- include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities

8.3 As a result of a reduction in the Internal Audit resource, the Internal Audit Charter has now been reviewed and updated to reflect these changes and to meet the requirements of the PSIAS and a draft is attached to this report. This was reviewed and approved by the Strategic Management Team on 3 March 2015.

**9. How does the decision contribute to the Council's Corporate Plan?**

Good governance contributes to the Council's purpose of a "Well Run Council".

**10. What risks are there and how can they be reduced?**

N/A

**11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

N/A

**12. Are there any other options?**

N/A

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**Audit Managers**

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:-**

None

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