

Local Members Interest
N/A

Audit and Standards Committee – 30th June 2015

Internal Audit Charter 2015/16

Recommendation

1. To approve the revisions to the Internal Audit Charter originally approved in June 2014.
2. To invite comments regarding the role and responsibilities of the Audit & Standards Committee in relation to the Internal Audit Function as currently detailed in section 9 of the Charter.

Report of the Director of Finance and Resources

Background

3. The Public Sector Internal Audit Standards (PSIAS) and the Local Government Application Note (LGAN) Standard 1000 require that the purpose, authority and responsibility of the internal audit activity must be formally defined in an Audit Charter. The Internal Audit Charter is a formal document setting out:
 - internal audit's position within the organisation
 - its reporting lines
 - access to personnel, information and records
 - the scope of internal audit activities
 - what the term Board means (e.g. the Audit & Standards Committee)
4. The need for an Audit Charter was a new requirement of PSIAS and the Audit & Standards Committee approved the detailed document at its meeting in June 2014. Since this date there have been a small number of revisions which require approval. The key changes made are highlighted within the attached document in red and relate to the following areas:
 - Defines the relationship between the Audit Charter and the respective roles in those the External Client organisations currently purchasing their internal audit service from the County Council (*page 3 and appendix 3 on page 15*)
 - Updated to reflect the new definitions contained in the Accounts and Audit Regulations 2015 (*page3 and 4*)
 - Includes the responsibility for managing the risk of fraud, corruption and potential for bribery within Managers areas of responsibility (*page 5*)
 - The reporting matrix has been updated to expand the categories of reports circulated to Cabinet Members (*page 7*)

- Expanded details regarding the role of the Audit & Standards Committee within the Quality Assurance process (page 12)

Equalities Implications and Climate Change Implications

5. There are no direct implications arising from this report.

Legal Implications

6. Whilst there are no direct legal implications arising from this report, the Accounts and Audit (England) Regulations 2015 specifically require that a relevant body 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'.

Resource and Value for Money Implications

7. The net budget of the Internal Audit Section is estimated at £575,200 of which £64,400 relates to payments to external providers.

Risk Implications

8. Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources

Report Author

Author's name: Lisa Andrews
Ext. No.: 276402

List of Background Papers

1. Public Sector Internal Audit Standards – with effect from 1st April 2013.
2. Local Government Application Note – with effect from 1st April 2013
3. Accounts and Audit (England) Regulations 2015.
4. CIPFA Statement on the Role of the Head of Internal Audit in Local Government 2010