

Internal Audit Charter

Summary

- 1 The committee is asked to approve changes to the council's internal audit charter.

Background

- 2 Standards for internal audit in local government are set by the Chartered Institute of Public Finance and Accountancy (Cipfa). From 1 April 2016 Cipfa adopted changes to the Public Sector Internal Audit Standards (PSIAS). Revisions to the council's internal audit charter are required to reflect these changes. A number of other minor changes to the charter are also required.

Changes to the PSIAS and internal audit charter

- 3 The Accounts and Audit Regulations 2015 require the council to have an effective internal audit service that complies with public sector internal audit standards. Cipfa is responsible for setting those standards for councils.
- 4 Cipfa works jointly with other bodies responsible for internal audit standards in the UK public sector (such as HM Treasury and the Department of Health) to produce common standards - the Public Sector Internal Audit Standards (PSIAS). The PSIAS are based on standards set by the Global Institute of Internal Auditors (IIA).
- 5 In July 2015, Global IIA made changes to their standards including the addition of a Mission and Core Principles for the Professional Practice of Internal Auditing. To ensure the UK public sector standards continue to reflect the IIA standards,

the Mission and Core Principles have been adopted in the PSIAS from April 2016.

- 6 To reflect the changes to the standards, a number of additions to the council's internal audit charter are required. The proposed new charter is included in annex 1, with amendments shown as tracked changes.
- 7 A number of other minor changes are included in annex 1. These reflect changes in wording in the Accounts and Audit Regulations and job titles.

Consultation

- 8 Not relevant for the purposes of the report.

Options

- 9 Not relevant for the purposes of the report.

Analysis

- 10 Not relevant for the purpose of the report.

Council Plan

- 11 The work of internal audit supports the council's overall aims and priorities by promoting probity, integrity and honesty and by helping to make the council a more effective organisation.

Implications

- 12 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

Risk Management Assessment

- 13 The council will not comply with the requirements of the Accounts and Audit Regulations 2015 if it does not have an audit charter which is in accordance with proper practice for internal audit (the PSIAS).

Recommendation

- 14 Members are asked to;
- consider the proposed internal audit charter at annex 1 and approve its adoption on behalf of the council.

Reason

In accordance with the responsibility of the committee to consider reports dealing with the management of the internal audit function, and to comply with proper practice for internal audit.

Contact Details

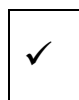
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Report
Approved



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Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers

- The Public Sector Internal Audit Standards 2016
- Cipfa local government application note for the United Kingdom Public Sector Internal Audit Standards

Annexes

- Annex 1 – proposed internal audit charter