

## AUDIT COMMITTEE – 14 July 2017

<b>Title of paper:</b>	<b>INTERNAL AUDIT CHARTER</b>	
<b>Director(s)/ Corporate Director(s):</b>	Geoff Walker Director for Strategic Finance	<b>Wards affected:</b> All
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<b>Other colleagues who have provided input:</b>		
<b>Recommendation(s):</b>		
<b>1</b>	Approve the Internal Audit Charter at <b>Appendix 1</b> .	

### **1 REASONS FOR RECOMMENDATIONS**

- 1.1 The Internal Audit Service (IA) impacts on corporate objectives by bringing a systematic disciplined approach to improve the effectiveness of risk management control and governance processes. It is an important part of the Council's governance and control framework.
- 1.2 The Public Sector Internal Audit Standards (PSIAS) require the production of a Charter, which defines the purpose, authority and responsibility of the IA function consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing). The Charter, which should be reviewed regularly, is to be presented to the Audit Committee for approval. The Charter is attached at Appendix 1 and reflects the standards set in the PSIAS.

### **2 BACKGROUND**

- 2.1 The IA service impacts on corporate objectives by bringing a systematic disciplined approach to improve the effectiveness of risk management control and governance processes. It is an important part of the Council's governance and control framework.
- 2.2 The Accounts and Audit Regulations 2015 state that local authorities 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.
- 2.3 The PSIAS set the responsibility for the management of Internal Audit with the Board. In practical terms, this Board responsibility is vested in the Audit Committee and Section 151 Officer who exercise their Board responsibility via the Constitution and the associated policies and procedures of the City council.
- 2.4 The Charter has fully reviewed and updated from that endorsed at the July 2016 meeting of this Committee. This change results from updated PSIAS requirements,

actions agreed from both internal and external assessments of conformance with PSIAS, and Internal Audit's Quality Assurance and Improvement Plan.

**3 BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION**

3.1 None.

**4 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- The Accounts and Audit Regulations 2015
- Public Sector Internal Audit Standards (Updated March 2017)
- Audit Committee 1 July 2016 - Internal Audit Charter