

27 September 2017**Agenda Item: 5****REPORT OF SERVICE DIRECTOR, FINANCE, PROCUREMENT &
IMPROVEMENT****INTERNAL AUDIT CHARTER****Purpose of the Report**

1. To review and approve an updated version of the Internal Audit Charter, as proposed in Appendix 1.

Information and Advice

2. The Council's Internal Audit Section works in compliance with its Internal Audit Charter, which is compiled in accordance with the guidance set out in the Public Sector Internal Audit Standards (PSIAS).
3. The charter is a formal document defining the Internal Audit Section's purpose, authority and responsibility. It establishes the Section's position within the Council, including the nature of the Head of Internal Audit's functional reporting relationship with the Governance & Ethics Committee. It authorises access to records, personnel and physical properties relevant to the performance of audit engagements, and it defines the scope of Internal Audit's activities. Final approval of the charter rests with the Governance & Ethics Committee.
4. The Internal Audit Charter should be reviewed periodically, to ensure it remains relevant and up-to-date. An updated version is presented at this time, principally to take account of the following developments:
 - a) The establishment of the Governance & Ethics Committee (the previous version of the Charter refers to the former Audit Committee)
 - b) Amendment to the priority rating of Internal Audit's recommendations (see para 11.1 of the draft Charter) and inclusion of a refreshed protocol for obtaining management responses to Internal Audit's recommendations (see para 11.3 and Appendix 1 of the Charter).

Other Options Considered

5. The establishment and maintenance of a formal internal audit charter is a requirement of the PSIAS.

Reason/s for Recommendation/s

6. To ensure that this Council's Internal Audit Charter remains up-to-date and relevant to the developing needs of the authority from its internal audit service.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

The activities of the Internal Audit service are a key element in the governance framework within the Council. The formal Internal Audit Charter is a key document in ensuring the Council receives an effective service from the resources it deploys on this area of activity.

RECOMMENDATION/S

- 1) That the revised Internal Audit Charter be approved.

Nigel Stevenson

Services Director – Finance, Procurement and Improvement

For any enquiries about this report please contact: Rob Disney, Head of Internal Audit

Constitutional Comments [SMG 18/09/2017]

8. The proposals set out in this report fall within the remit of this Committee.

Financial Comments [RWK 13/09/2017]

9. There are no specific financial implications arising from the report

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All