

Internal Audit Charter

Audit Committee

Date: 15th November 2016

Author: Head of Internal Audit
Wards: None
Locality Affected: None
Parishes Affected: None

1. Purpose and Reasons

- 1.1 At the September 2015 Audit Committee Members received and approved an updated Internal Audit Charter that met the requirements of the Public Sector Internal Audit Standards. It was agreed that the terms of reference for Internal Audit would be reviewed annually.
- 1.2 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating properly.

2. Recommendations

The Committee is recommended to:

- 2.1 It is recommended that the Audit Committee reviews and approves the Internal Audit Charter.

3. Detail

- 3.1 The requirement for an Audit Charter is set out in the Public Sector Internal Audit Standards. These Standards are mandatory guidance that constitutes the principles of the fundamental requirements for the professional practice of internal auditing within the public sector and for the evaluation of the effectiveness of Internal Audit's performance.
 - 3.2 The Public Sector Internal Audit Standards have replaced the CIPFA's Code of Practice for Internal Audit in Local Government as the mandatory guidance for internal audit in the public sector.
 - 3.3 The Internal Audit Charter is a formal document that defines Internal Audit's purpose, authority and responsibility. The charter establishes Internal Audit's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with Audit Committee; rights of access to records, personnel and physical properties relevant to the performance of audits; and defines the scope of internal audit activities.
 - 3.4 Last year amendments were made to the terms of reference to reflect the change from the CIPFA to the Public Sector Internal Audit Standards and were agreed by Audit Committee.
-

Further information on the subject of this report can be obtained from Nick Hobbs,
Direct Dial Telephone Number: 01793 463940, nhobbs@swindon.gov.uk.

Internal Audit Charter

Audit Committee

Date: 15th November 2016

3.5 Audit Committee will be aware that an External Assessment of the Internal Audit section against the Public Sector Internal Audit Standards was recently carried out by Bristol City Council. As part of that review two recommendations were made that related to the Audit Charter i.e.

- A need to reflect the responsibilities of the service with regard to external work it takes on behalf of other bodies; and
- The requirement to report to Audit Committee any acceptance by management of risks that may be unacceptable to the Council.

3.6 These additions have been included in the Audit Charter attached.

4. Alternative Options

4.1 Not Applicable

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 There are no direct financial implications arising from this report.

Legal and Human Rights Implications

5.2 The Audit Charter ensures compliance with the mandatory guidance under the Accounts and Audit Regulations 2015.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

5.3 None

Links to One Swindon, Strategic Objectives, Plans and Policies

5.4 Internal Audit's remit is to examine the adequacy of the Council's governance, risk management and internal controls. Effective systems of governance, risk management and internal control within the Council will help to ensure that the objectives set out in One Swindon and the Council's Corporate Strategy is achieved.

Diversity Impact Assessment

5.5 None

Risk Management

5.6 Not applicable

Internal Audit Charter

Audit Committee

Date: 15th November 2016

6. Consultees

- 6.1 The Board Director Finance, Revenues, Benefits and Property (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices / Background papers

Appendix 1 – The Internal Audit Charter

9. Key Decision/Decision in Forward Plan

Not Applicable