

## Internal Audit Charter

### **Audit Committee**

**Date: 17<sup>th</sup> November 2015**

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

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### **1. Purpose and Reasons**

- 1.1 At the September 2014 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.
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Further information on the subject of this report can be obtained from Nick Hobbs,  
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- 3.5 Additional changes have been made this year to reflect the Accounts and Audit Regulations 2015 coming in to force. These changes are only of a minor nature.

### **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

### **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

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- 8. Appendices / Background papers**  
Appendix 1 – The Internal Audit Charter
- 9. Key Decision/Decision in Forward Plan**  
Not Applicable