

AGENDA ITEM 8

GOVERNANCE COMMITTEE

27 NOVEMBER 2013

REPORT OF HEAD OF WELLAND INTERNAL AUDIT CONSORTIUM

INTERNAL AUDIT CHARTER

1.0 PURPOSE OF REPORT

1.1 To seek Member endorsement for a revised Internal Audit Charter.

2.0 RECOMMENDATIONS

2.1 That Members endorse the Internal Audit Charter which forms Appendix A to this report.

3.0 REQUIREMENT FOR A REVISED CHARTER

3.1 The Public Sector Internal Audit Standards, which came into effect on 1st April 2013, define the way in which the independence of a local authority's internal audit service must be demonstrated: a conformant Internal Audit Charter is a key requirement. The Consortium had, until 31st March 2013, been able to rely upon a Charter adopted in 2007 which was designed to meet the requirements of the CIPFA Code for Internal Audit in Local Government but the Standards identified additional issues that must be addressed, specifically:

- greater detail about the role of internal audit;
- reference to the professional standards to which internal audit will operate;
- internal audit's management reporting lines; and most significantly
- arrangements for periodic self-assessment and external assessment.

3.2 The draft Internal Audit Charter shown at Appendix A has been developed in line with guidance from the Chartered Institute of Internal Auditors – one of the sponsoring bodies for the Standards. It also takes account of the experience of other local authorities which have already adopted Charters meeting the requirements of the Standards.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Action to achieve an internal audit function judged as fully effective would enhance the Council's overall governance arrangements.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There are no financial or other resource implications arising directly from this report.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 There are no legal implications arising directly from this report.

7.0 COMMUNITY SAFETY

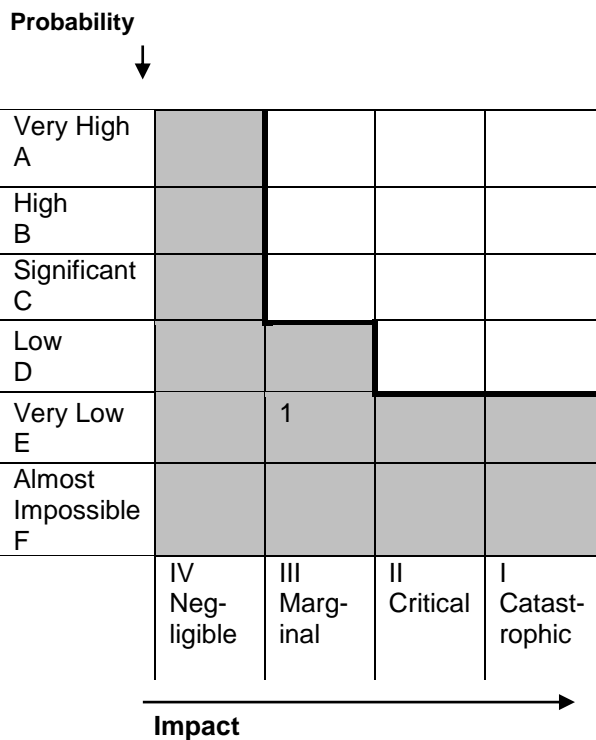
7.1 There are no Community Safety implications arising directly from this report.

8.0 EQUALITIES

8.1 There are no Equalities implications arising directly from this report.

9.0 RISKS

9.1 If the Council does not endorse an Audit Charter that meets the requirements of the Standards, its internal audit function may be judged ineffective.



Risk No.	Description
1	Failure, by any relevant party, to operate in line with the Charter could compromise the Council's overall governance framework.

10.0 CLIMATE CHANGE

10.1 There are no Climate Change implications arising directly from this report.

11.0 CONSULTATION

11.1 N/A

12.0 WARDS AFFECTED

12.1 All wards are indirectly affected by the report.

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Date: 5/11/13

Appendices : Appendix A: Draft Internal Audit Charter

Background Papers: N/A
References: N/A