

Committee: Performance & Audit Committee

Agenda Item

Date: 15 August 2013

7

Title: Internal Audit Strategy 2013/14

**Author: Sheila Bronson, Internal Audit Manager
01799 510610**

Item for approval

Summary

1. The Council has arrangements in place to ensure risks to the Council achieving its objectives are identified and managed. This report informs Members of the review and updating of the Internal Audit Strategy 2013/14

Recommendations

2. That members approve the revised Internal Audit Strategy 2013/14

Financial Implications

3. None. There are no costs associated with the recommendations in this report.

Background Papers

4. None.

Impact

- 5.

Communication/Consultation	The Internal Audit Strategy 2012/13 and Internal Audit Charter & Terms of Reference 2012/13 have been circulated to the Council's Corporate Management Team
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

Situation

6. With effect from 1 April 2013, the work of Uttlesford District Council's (UDC) Internal Audit is governed by the UK Public Sector Internal Audit Standards (PSIAS) which have replaced the CIPFA Code of Practice for Internal Audit in the UK. The PSIAS comprise a revised definition of internal auditing, a Code of Ethics for internal auditors working in the public sector and the Standards themselves. The PSIAS are mandatory for all internal auditors working in the UK public sector
7. The PSIAS require that there must be a risk-based internal audit plan that takes into account the requirement to produce an annual internal audit opinion and assurance framework. It must be incorporated in or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter and how it links to the organisational objectives and priorities
8. The Internal Audit Strategy 2013/14 has been reviewed and updated to ensure compliance with the PSIAS.
9. The PSIAS require an Internal Audit Charter to be periodically reviewed and presented to senior management and the board for approval. They also require that for the purposes of internal Audit activity, this Charter must define the terms 'senior management' and 'board'. Following consultation with the Assistant Chief Executive – Legal, it has been decided that the definition of the Performance & Audit Committee as 'the board' for Internal Audit activity will require a change to the council's scheme of delegation, therefore a report will be prepared for Full Council in October.
10. The Internal Audit Charter is in the process of being completely revised to ensure compliance with PSIAS and will be presented to this Committee for approval at its November meeting.

Risk Analysis

11.

Risk	Likelihood	Impact	Mitigating actions
Adverse External comment if the Internal Audit Charter and Strategy do not comply with the PSIAS.	1 Internal Audit function is an integral part of the Council	2 Statutory requirement, adverse External Auditor Report	Annual review of Charter and Strategy

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.