

Committee: Performance & Audit Committee

Agenda Item

Date: 12 February 2015

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Title: The Internal Audit Charter (February 2015)

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Item for approval

Summary

This report informs Members of the review and updating of the Internal Audit Charter.

Recommendations

1. That members approve the revised The Internal Audit Charter (February 2015) to ensure compliance with PSIAS.

Financial Implications

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

Background Papers

3. None.

Impact

- 4.

Communication/Consultation	The Internal Audit Charter (February 2015) has been presented 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

5. 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 encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:
 - Definition of Internal Auditing;
 - Code of Ethics, and
 - International Standards for the Professional Practice of Internal Auditing (including interpretations and glossary).
6. The PSIAS are mandatory for all internal auditors working in the UK public sector.
7. The PSIAS require an Internal Audit Charter to be periodically reviewed and presented to senior management and the board for approval. This is the first review of the Internal Audit Charter since its publication in November 2013.
8. The Internal Audit Charter (February 2015) has replaced the Internal Audit Charter (November 2013). The main revisions are:
 - Updating of references to the Assistant Chief Executives – Legal and Finance to reflect to current Corporate Management Team composition (throughout);
 - Rewording of paragraph 4.10 relating to the External Auditor to reflect the changing nature of the relationship between Internal and External audit;
 - Inclusion on paragraph 9.4 reference to the Internal Audit Quality Assurance & Improvement Programme;
 - In Appendix A the addition in the Internal Audit Protocols of a new section 2 relating to audit Terms of Reference.
9. The Internal Audit Charter (February 2015) is presented to this Committee for approval.

Risk Analysis

10.

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

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.