

**Committee:** Performance & Audit Committee

**Agenda Item**

**Date:** 15 November 2016

**10**

**Title:** Internal Audit Charter 2016-2018

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Item for approval

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## Summary

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

## Recommendations

That Members approve the revised Internal Audit Charter 2016-2018.

## Financial Implications

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

## Background Papers

2. None.

## Impact

- 3.

Communication/Consultation	Internal Audit Charter 2016-2018 has been approved by the Council's Corporate Management Team at its meeting 21 October 2016
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

**Situation**

4. 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).
5. The PSIAS are mandatory for all internal auditors working in the UK public sector.
6. The PSIAS require an Internal Audit Charter to be periodically reviewed and presented to senior management and the board for approval.
7. The Internal Audit Charter 2016-2018 has replaced the Internal Audit Charter (February 2015) The revisions are:
  - Updated throughout to remove references to the Assistant Chief Executive to reflect to current Corporate Management Team composition;
  - New paragraph 1.4 to detail review and updating of charter;
  - Paragraph 1.5 updated legislation;
  - Paragraph 2.7 updated to reflect current reporting lines;
  - Paragraphs 4.2 and 4.4 updated to reflect the re-introduction of Corporate Audits;
  - Paragraph 8.1 updated guidance.
8. The Internal Audit Charter 2016-2018 is presented to this Committee for approval.

**Risk Analysis**

9.

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.