

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference: **AGC-013-2015/16**
Date of meeting: **30 November 2015**

Portfolio: **Governance**

Subject: **Internal Audit Charter 2015**

Responsible Officer: **Sarah Marsh** **(01992 564446).**

Democratic Services: **Gary Woodhall** **(01992 564470).**

Recommendations/Decisions Required:

- (1) The Committee is asked to approve the revised Internal Audit Charter (appendix A).**

Executive Summary:

The Public Sector Internal Audit Standards (PSIAS) adopted throughout the UK Public Sector from 1 April 2013, requires that the purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter, which the Chief Internal Auditor must periodically review and present to senior management and the Audit and Governance Committee for approval.

Reasons for Proposed Decision:

The Internal Audit Charter is required by the Public Sector Internal Audit Standards.

Other Options for Action:

No other options

Report:

1. The UK Public Sector Internal Audit Standards requires that the purpose, authority and responsibility of the internal audit function is defined in an internal audit charter, consistent with the Definition of internal Auditing, the Code of Ethics and the International Standards. The Chief Internal Auditor must periodically review the Internal Audit Charter and present it to the Audit and Governance Committee for approval.
2. CIPFA's publication "Audit Committees - Practical Guidance for Local Authorities and Police (2013 edition)" states that the audit committee should fulfil a role in the review and approval of the internal audit charter. The audit committee also has key role in overseeing the independence, objectivity, performance and professionalism of the Internal Audit function.
3. The previous Internal Audit Charter was presented and approved at the 25 September 2014 meeting of the Audit and Governance Committee. There have been no substantial changes to the content from that presented last year, however, the format has been brought in line with those in place at Broxbourne and Harlow Councils. The key principles required by the

Public Sector Internal Audit Standards remain unchanged including:

- The purpose, authority and responsibility of internal audit.
- Internal Audit Independence and objectivity.
- The scope of Internal Audit activities.
- Planning and reporting.
- Internal Audit resources.

Resource Implications:

No specific implications

Legal and Governance Implications:

The purpose, authority and responsibility of the Internal Audit function must be formally defined in an Internal Audit Charter, as required by the UK Public Sector Internal Audit Standards.

Safer, Cleaner and Greener Implications:

No specific implications

Consultation Undertaken:

Corporate Governance Group

Background Papers:

Public Sector Internal Audit Standards

Risk Management:

The Public Sector Internal Audit Standards are mandatory for all UK Public Sector organisations.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Date/Name	Summary of equality analysis
30/11/15 Chief Internal Auditor	The report defines the work of Internal Audit and has no equality implications.