

Report for:
ACTION



Contains Confidential or Exempt Information	NO – Part 1
Title	2016/17 Internal Audit Charter
Responsible Officer(s)	Andrew Brooker, Head of Finance
Contact officer, job title and phone number	Catherine Hickman, Service Manager – Shared Audit and Investigation Service, 07917 265742
Member reporting	Councillor Paul Brimacombe
For Consideration By	Audit and Performance Review Panel
Date to be Considered	16 February 2016
Implementation Date if Not Called In	1 April 2016
Affected Wards	All

REPORT SUMMARY

This report recommends that the Panel approves the 2016/17 Internal Audit Charter, which will be effective from 1 April 2016. This recommendation is being made to ensure that the Council achieves industry best practice by complying with the Public Sector Internal Audit Standards (PSIAS).

If recommendation is adopted, how will residents benefit?

Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
Residents will have independent and objective assurance that the Council's control environment (comprising risk management, control and governance) is operating effectively, that resources are being used economically, efficiently and effectively and that public monies and the Council's assets and interests are being safeguarded.	Ongoing

1. DETAILS OF RECOMMENDATION

RECOMMENDATION: Option 1 - Members are asked to approve the 2016/17 Internal Audit Charter.

2. REASON FOR RECOMMENDATION AND OPTIONS CONSIDERED

- 2.1 This recommendation is being made to ensure that industry best practice for the Shared Audit and Investigation Service is being followed.
- 2.2 Internal Audit work is undertaken in accordance with the Internal Audit Charter, which sets out the Terms of Reference for Internal Audit activity and complies with the CIPFA / IIA Public Sector Internal Audit Standards (PSIAS). This is approved annually and is attached at Appendix A.
- 2.3 The purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the *Definition of Internal Auditing* the *Code of Ethics* and the *Standards*. The Chief Audit Executive (role fulfilled by the Service Manager, Shared Audit and Investigation Service) must periodically review the Internal Audit Charter and present it to senior management and the Board (Audit and Performance Review Panel) for approval.
- 2.4 The Internal Audit Charter establishes the internal audit activity's position within the organisation, including the nature of the Service Manager, Shared Audit and Investigation Service functional reporting relationship with the Board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

Option	Comments
(1). Approve the 2016/17 Internal Audit Charter. Recommended	This will ensure that the Shared Audit and Investigation Service is complying with industry best practice as detailed in the PSIAS.
(2). Amend the 2016/17 Internal Audit Charter	This may mean that the Shared Audit and Investigation Service is not complying with industry best practice as stated in the PSIAS.
(3) Reject the 2016/17 Internal Audit Charter	The Shared Audit and Investigation Service will not be complying with industry best practice as detailed in the PSIAS.

3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered
An approved Internal Audit Charter will mean that the Internal Audit Service provided is in compliance with industry best practice.	Non-compliance with industry best practice. Loss of residents' confidence. Council reputation may be affected.	Compliance with industry best practice Gain residents confidence. Council reputation protected.	n/a	n/a	1 April 2016

4. FINANCIAL DETAILS

4.1 Financial impact on the budget:

Revenue - None. No new funds are being sought.
Capital - None

5. LEGAL IMPLICATIONS – N/A

6. VALUE FOR MONEY

6.1 The Internal Audit Charter helps to add value to the organisation and its stakeholders by providing a framework for achieving objective and relevant assurance, and contribution to the effectiveness and efficiency of governance, risk management and control processes.

7. SUSTAINABILITY IMPACT APPRAISAL

7.1 None.

8. RISK MANAGEMENT

Risk	Uncontrolled Risk	Controls	Controlled Risk
Without an appropriate internal audit governance framework in place which includes an Internal Audit Charter, improved organisational processes and operations will not be identified across the council which means that value for money is not achieved.	Medium	Approved Internal Audit Charter in operation and being followed.	Low

9. LINKS TO STRATEGIC OBJECTIVES

9.1 As defined in the Internal Audit Charter, Internal Audit's objective is to assist RBWM to achieve its strategic objectives by providing an independent and objective assessment of internal control, risk and governance processes.

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION – N/A

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS – N/A

12. PROPERTY AND ASSETS – N/A

13. ANY OTHER IMPLICATIONS – N/A

14. CONSULTATION

14.1 Consultations have been undertaken with members of CMT and the S151 Officer.

15. TIMETABLE FOR IMPLEMENTATION

15.1 The 2016/17 Internal Audit Charter will come into effect from 1 April 2016.

16. APPENDIX

16.1 Appendix A - 2016/17 Internal Audit Charter (attached to this report)

17. BACKGROUND INFORMATION

CIPFA/IIA Public Sector Internal Audit Standards 2013

18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments In paragraph:
Internal				
Alison Alexander	Managing Director and Strategic Director of Adult, Children and Health Services	22/01/16	27/01/16	Separated Internal Audit and Counter Fraud Plans Report from 2016/17 Internal Audit Plan, Strategy and, Charter and Counter Fraud Plan report.
Corporate Management Team (CMT)	Managing Director, All Strategic Directors, Head of Finance	22/01/16	27/01/16	As above.

Cllr Paul Brimacombe	Chair of Audit and Performance Review Panel	05/02/16		
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Report History

Decision type:	
Key decision entered into the Forward Plan – N/a	N/a

Report no.	Full name of report author	Job title	Full contact no:
	Catherine Hickman	Service Manager – Shared Audit and Investigation Service	07917 265742