

REVISED INTERNAL AUDIT CHARTER

Audit Committee - 14 January 2014

Report of the: Chief Finance Officer

Status: For Consideration

Key Decision: No

This report supports the Key Aim of Effective Delivery of the Corporate Plan

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Bami Cole, ext.7236

Recommendation to Audit Committee: That Members consider the contents of the report and approve the revised Internal Audit Charter

Reason for recommendation: the Audit Charter sets out the purpose, authority and responsibility of the Council's internal audit service. It is therefore a key document affecting the effectiveness of internal audit. The audit committee is required to approve amendments to the Charter, as part of its terms of reference remit, to oversee the effectiveness of the Council's internal audit service.

Introduction

- 1 Members were advised at their meeting in June of the new mandatory Public Sector Internal Audit Standards which came into effect on 1 April 2014 and the steps being taken by management to meet the requirements of the new standards, which included updating the Council's internal audit Charter. The Charter has now been updated to reflect the requirement of the standards and recent organisational changes.
- 2 Appendix A sets out the new Charter. The changes have been discussed with the Chair of the Audit Committee, the Portfolio Holder for Finance and Resources and senior management. Members are requested to consider and approve the revised Charter.
- 3 The Charter is essentially generic for the shared service internal audit service between Sevenoaks District and Dartford Borough Councils. However where appropriate, adjustments have been made to account for local customs and traditions.
- 4 The remaining key requirements of the new Public Sector Internal Audit Standards are currently under discussion by senior management, in order to determine the

most effective way of implementing the new standards. The Committee would be advised of further development in due course.

Key Implications

Financial

5. Not Applicable.

Community Impact and Outcomes

6. Not Applicable

Legal Implications and Risk Assessment Statement.

7. No additional legal implication beyond the Council’s duty to comply with the new Accounts and Audit Regulations 2011 and relevant aspects of the Public Sector Internal Audit Standards.

The Council is required to have adequate and effective internal audit arrangements. The revised internal audit Charter sets the basis of the arrangement and reflects relevant regulatory and professional standards.

Resource (non-financial)

8. None

Value For Money

9. Not Applicable.

Equality

10.

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	Effective governance of the Council constitutes engagement with all sections of the community and therefore will promote fairness and the potential to promote equality and community wellbeing.
c. What steps can be taken to mitigate, reduce, avoid or		Impact assessment of community engagement will establish the degree of

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
minimise the impacts identified above?		success and areas for further improvement of current arrangements

Sustainability Checklist

11. Not Applicable.

Conclusions

This report presents the revised Internal Audit Charter which sets out the purpose, authority and responsibility of the Council's internal audit service and reflects recent organisational changes, regulatory requirements and relevant professional standards. Members are requested to approve the Charter.

Appendices Appendix A – Revised Internal Audit Charter

Background Papers:

- a) The Accounts and Audit Regulations 2011
[<http://www.legislation.gov.uk/uksi/2011/817/contents/made>]
- b) The Public Sector Internal Audit Standards 2013
[<https://www.gov.uk/publications/public-sector-internal-audit-standards>]
- c) Sevenoaks District Council's Constitution

Contact Officer(s): Bami Cole, Audit, Risk & Anti-Fraud Manager.
Phone: 01732 227236

Adrian Rowbotham

Chief Finance Officer