

**REPORT TO THE GOVERNANCE & AUDIT COMMITTEE
MEETING OF 10th March 2016**

Status: For approval
Title: Internal Audit Charter
Originator: Rachel Ashley-Caunt, Head of Internal Audit, Welland Internal Audit Consortium.
Where from: Welland Internal Audit Consortium
Where to next: N/A

Objective : To review and approve the Internal Audit Charter which reflects the requirements of the Public Sector Internal Audit Standards.

1. Outcome sought from Committee

1.1 That Members review and approve the Internal Audit Charter, which will be adhered to in the delivery of the Internal Audit service for 2016/17.

2 Report

2.1 The Public Sector Internal Audit Standards define the internal audit charter as 'a formal document that defines the internal audit activity's purpose, authority and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation, including the nature of the chief audit executive's 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'.

2.2 The Consortium adopted a revised Internal Audit Charter in 2013 which was consistent with the new requirements introduced by the Public Sector Internal Audit Standards and in line with guidance from the Institute of Internal Auditors.

2.3 The Head of Internal Audit has undertaken an annual review of the internal audit charter for Harborough District Council to confirm that this remains fit for purpose and compliant with good practice. No material changes have been made to the document following this review. The only minor changes proposed are as follows:

- To update job titles to reflect the outcome of the recent management restructure (e.g. Head of Finance & Assets updated to Head of Finance and Corporate Services);
- To amend the reference to the Audit Manager discharging some of the key roles of the Audit Executive, to reflect that these will usually be undertaken by the

Head of Internal Audit but can be discharged by the Audit Manager as required (e.g. responsibilities of the Chief Audit Executive 'are discharged by the Audit Manager' changed to 'can be exercised by the Audit Manager, as required'). This is to reflect some minor changes to management responsibilities which have been introduced as a result of the current management agreement with LGSS which requires these key tasks to be delivered by LGSS management and provides consistency across the consortium.

2.4 The Internal Audit Charter is enclosed as Appendix A to this report.

3 Equality Impact Assessment

3.1 Not applicable.

4 Conclusion

4.1 The report contains, and submits for approval, the Internal Audit Charter which reflects the requirements of the Public Sector Internal Audit Standards.