



Report of: **Executive Member for Finance and Resources**

Meeting of	Date	Agenda Item	Ward(s)
Audit Committee	29 <sup>th</sup> September 2014		

Delete as appropriate		Non-exempt	
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## **SUBJECT: Internal Audit Charter**

### **1.Synopsis**

1.1.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 Head of Internal Audit must periodically review the internal audit charter and present it to senior management and the board for approval.

1.2.This report sets out the Internal Audit Charter at Appendix A.

### **2. Recommendations**

2.1.The Audit Committee are asked to note the contents of the Internal Audit Charter.

### **3. Background**

3.1.In line with the Public Sector Internal Audit Standards (PSIAS), 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.

3.2.An Internal Audit Charter also establishes the internal audit activity's position within the Council, including the head of internal audit's (HIA) reporting lines, authorising access to records, personnel, and physical properties relevant to the performance of engagements; and also defining the scope of internal audit activities. It is therefore a reference point for measuring the effectiveness of internal audit.

3.3. The HIA is responsible for drafting the charter, discussing the detail and seeking approval from the board (often via the audit committee). The charter should be reviewed annually to ensure that it remains relevant to the needs of the organisation.

#### 4. Implications

##### 4.1. Financial implications

There are no financial implications

##### 4.2. Legal Implications

This charter should be read in the context of the wider legal and policy framework which sets requirements and standards for internal audit, including the Accounts and Audit Regulations, the PSIAS, and the Council's constitution, regulations and governance arrangements.

##### 4.3. Environmental Implications

There are no environmental implications

##### 4.4. Equality Impact Assessment

There are no direct equality implications arising from the recommendation in this report

#### 5. Conclusion and reasons for recommendations

5.1. The Internal Audit Charter, attached as Appendix A, defines the purpose, authority, and responsibility of the internal audit activity as required by the Public Sector Internal Audit Standards.

#### Appendices

Appendix A: Internal Audit Charter

#### Final Report Clearance

Signed by



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Corporate Director of Finance

Date

Received by

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Head of Democratic Services

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Date

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