

8 December 2015		ITEM: 9
Standards and Audit Committee		
Internal Audit Charter 2015		
Wards and communities affected: All	Key Decision: Non-key	
Report of: Gary Clifford, Internal Audit Manager		
Accountable Head of Service: Sean Clark, Head of Corporate Finance		
Accountable Director: Lyn Carpenter, Chief Executive		
This report is public		

Executive Summary

The Internal Audit Charter is 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 Council, including the nature of the Head of Internal Audit's functional reporting relationship with the Standards & Audit Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the Internal Audit Charter lays with the Standards & Audit Committee.

1. Recommendation(s)

1.1 That the Standards & Audit Committee:

Approve the Internal Audit Charter 2015 and the Chair of the Standards & Audit Committee signs the Charter on behalf of the Committee.

2. Introduction and Background

- 2.1 The foundation of an effective internal audit service is compliance with standards and proper practices.
- 2.2 A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.
- 2.3 An effective internal audit service should:
 - understand the whole organisation, its needs and objectives

- understand its position with respect to the organisation's other sources of assurance and plan its work accordingly
- be seen as a catalyst for improvement at the heart of the organisation
- add value and assist the organisation in achieving its objectives, and
- be forward looking – knowing where the organisation wishes to be and aware of the national agenda and its impact.

2.4 This Charter establishes the purpose, authority and responsibilities for the internal audit service for Thurrock Council, which has been refreshed due to the changes brought about by the service being brought back in-house from the 1st April 2015.

3. Issues, Options and Analysis of Options

3.1 The Charter has been prepared in order to help to support the provision of an effective internal audit service and to meet the requirements of the Public Sector Internal Auditing Standards.

4. Reasons for Recommendation

4.1 To provide the Council with assurance that the internal audit service is complying with the requirements of the Public Sector Internal Auditing Standards.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The Internal Audit Charter has been discussed and agreed with the Director of Finance & Corporate Governance as the responsible accounting officer and with the external auditors.

6. Impact on corporate policies, priorities, performance and community impact

6.1 There is no direct impact on the policies, priorities, performance or on the Community although an effective internal audit service may impact indirectly on all areas of the Council's business.

7. Implications

7.1 Financial

Implications verified by: **Michael Jones**
Management Accountant

There are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **David Lawson**

Monitoring Officer

The contents of this report and appendixes form part of the Council's responsibility to comply with the Audit Commission Act 1998 and the Accounts and Audit Regulations 2015 to at least annually undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance. The Council has delegated responsibility for ensuring this is taking place to the Standards & Audit Committee. There are no adverse legal implications relating to the reporting progress.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**

Community Development Officer

There are no direct diversity implications arising from this report as it is for information purposes only.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

In terms of risk and opportunity management, the Internal Audit Plan and its outcomes are a key part of the Council's risk management and assurance framework. The Internal Audit Plan is based on risk assessments that include a review of the Council's risk and opportunity register.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Public Sector Internal Audit Standards (PSIAS)
- CIPFA – PSIAS Local Government Application Note
- Internal Audit Charter 2013

9. Appendices to the report

- Appendix 1 – Internal Audit Charter 2015.

Report Author:

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Thurrock Council Internal Audit Service