

Audit Strategy and Charter

Report of the Internal Audit Manager (Portfolio: Finance and Resources)

Recommended:

That the updated Internal Audit Charter and Strategy be approved.

SUMMARY:

- This report provides an update to the Internal Audit function's Charter and Strategy for approval. These set out the mission statement on Internal Audit's role in the Council's risk management process and the core principles for the professional practices of internal auditing.

1 Introduction

- 1.1 The Audit Committee received a report at the June meeting on the Internal Audit function's conformance with the Public Sector Internal Audit Standards UK. (PSIAS). A self-assessment against these standards, although not highlighting any areas of "partial" assurance, did identify some areas where further developments could improve the efficiency and effectiveness of the team going forwards. These included bringing the Audit Charter and Strategy to the Audit Committee to inform Members of the core principles for the professional practices of internal auditing and to obtain endorsement of any future updates. The Audit Charter and Audit Strategy are provided in Annexes 1 and 2 of this report.

2 Internal Audit Charter

- 2.1 The Internal Audit Charter is a policy document that enables the Internal Audit Manager and internal audit activity to effectively carry out their roles in the organisation. It establishes clarity among risk managers within the organisation and among stakeholders of internal audit's role in the risk management process and helps enable them to measure internal audit's value.
- 2.2 The Internal Audit Charter in Annex 1 establishes the Internal Audit Service's purpose, authority, responsibility and position within the Council and the Audit Manager's functional reporting relationship with the Audit Committee. It authorises audit unfettered access to records, personnel, and physical properties relevant to the performance of audit work and defines the scope of internal audit activities.

3 Internal Audit Strategy

- 3.1 The purpose of the Internal Audit Strategy provided in Annex 2 is to outline the strategic approach that will be adopted by the Internal Audit Manager in managing and delivering the Internal Audit Service. The strategy works in conjunction with the Audit Charter. The mission of Internal Audit, as defined by the Public Sector Internal Audit Standards, is "to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight."

4 Corporate Objectives and Priorities

- 4.1 The work of the Internal Audit function supports the Council's four strategic aims for maintaining and improving quality of life in Test Valley, by ensuring that the Council makes the most of its available resources and transforms the way it works, to provide even better value for money and effective service delivery.

5 Consultations/Communications

- 5.1 The Internal Audit Charter and Strategy have been compiled to reflect the Public Sector Internal Audit Standards UK in consultation with the Head of Finance and Revenues/S151 Officer and the Audit Committee.

6 Risk Management

- 6.1 The Internal Audit Charter and Strategy provide clarity on Internal Audit's role in the risk management process and enables measurement of internal audit's value.

7 Resource Implications

- 7.1 There are no resource implications associated with this report.

8 Equality Issues

- 8.1 No adverse equality issues have been identified in relation to the subject matter of this report

9 Conclusion

- 9.1 This report seeks approval of the updated Internal Audit Charter and Strategy provided in Annexes 1 and 2.

Background Papers (Local Government Act 1972 Section 100D)

None

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	2		
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