

Crawley Borough Council

Report to the Audit Committee

6th March 2018

Internal Audit Charter – January 2018

Report of the Audit and Risk Manager – FIN/439

1. Purpose

- 1.1 As stated in the Public Sector Internal Audit Standards (PSIAS), the Committee has a responsibility to review and approve the Internal Audit Charter.

2. Recommendation

- 2.1 The Committee is requested to review and approve the Internal Audit Charter, attached as an Appendix to this report.

3. Reasons for the Recommendations

- 3.1 The Committee has a responsibility to give their approval to the Internal Audit Charter.

4. Background

- 4.1 The Public Sector Internal Audit Standards (PSIAS) were updated in April 2017. The Standards are mandatory for internal audit in public services, including local government. The Charter reflects the changes made to the International Professional Practices Framework (IPPF) of the Global Institute of Internal Auditors on which the PSIAS is based. In addition, amendments were made to the public sector requirements and public sector interpretations which form part of the PSIAS. The Internal Audit Charter has been prepared to reflect the new standards and brought to the Audit Committee for approval.

- 4.2 Public Sector Internal Audit Standard 1000 requires that Purpose, Authority and Responsibility be defined in an Audit Charter. The Charter establishes Internal Audit's position within the organisation, including the nature of the Audit and Risk Manager's reporting relationship with the Audit Committee, authorises access to personnel, records, and physical properties relevant to audit work, and defines the scope of internal audit activities. The senior management and board representatives for Internal Audit's client organisations is set out in the Charter. Final approval of the Internal Audit Charter resides with Crawley Borough Council's Audit Committee.

- 4.3 The Audit and Risk Section works to the Charter, which complies with the Public Sector Internal Audit Standards (PSIAS) as applied in the UK, based on international standards. The Charter is required to be reviewed and considered by the Audit Committee on an annual basis. The PSIAS were refreshed in March 2017 and, to ensure that Crawley Borough Council's Internal Audit Service Charter reflects the key changes, it has been prepared to reflect these.
- 4.2 The Audit Committee has a key function in ensuring that effective corporate governance arrangements are maintained in the Council. The Internal Audit Charter provides evidence of such arrangements in respect of the Internal Audit function, and has been prepared to reflect the recent refresh of the Public Sector Internal Audit Standards.

5. Background Papers

- 5.1 Accounts and Audit Regulations 2015;
Public Sector Internal Audit Standards 2017

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ENDS