

# AUDIT COMMITTEE

23<sup>rd</sup> January 2008

## Charter for Internal Audit

### Report of Internal Audit Manager

#### PURPOSE OF REPORT

To seek the Committee's approval for an updated and revised Charter for Internal Audit

**This report is public**

#### RECOMMENDATIONS

**1. That the proposed revised Charter for Internal Audit be approved.**

##### **1.0 Report**

- 1.1 It has been necessary to revise the Charter for Internal Audit (last approved by Audit Committee in January 2005) to reflect changes in emphasis for Internal Audit and governance arrangements arising from Accounts and Audit (Amendment) (England) Regulations 2006, and best practice as detailed in the latest CIPFA Code of Practice for Internal Audit in Local Government issued in 2006. The revised Charter also takes into account CIPFA Guidance on Audit Committees in Local Government and the subsequent review of this Committee's terms of reference in April 2006, and the appointment of KPMG LLP from the 2007/08 audit year.
- 1.2 As well as defining the way in which the Internal Audit function is established and undertakes its functions, the revised Charter attached as Appendix A sets out Internal Audit's role, and that of the Audit Committee, in providing assurance on the effectiveness of the Council's governance framework and systems of internal control, culminating in the approval of the Annual Statement of Assurance. Revisions and additions to the Charter have been highlighted in the document using larger *italicised text* for revisions and *italics and underlining* for additions.
- 1.3 The ongoing development of the corporate assurance framework and the change in emphasis for Internal Audit work will provide the Audit Committee with an opportunity to discuss significant areas of concern and to enable Members to develop their own programmes and priorities, review and influence audit activity and explore ways of obtaining assurance in areas of particular importance to the Committee.

##### **2.0 Options and Options Analysis**

- 2.1 The options are to either approve the proposed revised charter or to retain the existing one. As the revised charter is an update, reflecting changes in emphasis, standards and procedure that have already taken place, the preferred option is that the revision be approved.

**CONCLUSION OF IMPACT ASSESSMENT**

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None directly arising from this report

**FINANCIAL IMPLICATIONS**

None arising from this report

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments.

**LEGAL IMPLICATIONS**

None Arising from this report

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

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