

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CONSTITUTION COMMITTEE**

**DATE:**               **WEDNESDAY, 16 OCTOBER 2013**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **INTERNAL AUDIT CHARTER**

**1.00**   **PURPOSE OF REPORT**

1.01    To update the Internal Audit Charter contained in Part 7 of the constitution.

**2.00**   **BACKGROUND**

2.01    The Internal Audit department has had a charter since 2002. It was last updated in 2011 and presented to the Audit Committee at that time. The charter formalises the status, independence and responsibility of the department and is part of the Constitution.

2.02    New Public Sector Internal Audit Standards (PSIAS) were published in April 2013, replacing the CIPFA Code of Practice for Internal Audit in Local Government. The new standards must be followed by all internal audit departments in local government. They include new requirements for the content of an audit charter. The Flintshire charter has therefore been updated to allow for these changes.

Most of the changes simply reflect current and long established practice, but have not previously been written into the charter.

2.03    The Charter was agreed at the Audit Committee meeting on 30<sup>th</sup> July 2013 with some minor amendments which have now been incorporated. Subsequent to the meeting the Chair of Audit requested another minor change which has resulted in a sentence being added to the Charter. This is within the Audit Reporting section of the Charter and is shown in bold italics in the attached appendix. It reflects current practice.

**3.00**   **CONSIDERATIONS**

3.01    The PSIAS require that the role, scope, independence, authority and responsibility of the Internal Audit department be formally defined in a charter. Within Flintshire County Council that is achieved by the audit charter being approved by the Audit Committee and appearing within the constitution.

3.02 The proposed new charter is attached, Appendix A.

The main changes include:

- Reference to the PSIAS and Code of Ethics
- A change in wording to the definition of internal audit
- The inclusion of responsibility for auditing partnerships and collaborations
- The areas of responsibility of the Audit Committee and the line management of the IA Manager

3.03 The committee is asked to consider the proposed changes to the Internal Audit Charter, as agreed by the Audit Committee. Once the committee has agreed the revised version of this part of the Constitution, the Chair and the political Group Leaders will be consulted. If there are no objections the Constitution will then be updated to reflect what the committee has agreed. If there is any objection there will be a report to the County Council.

#### **4.00 RECOMMENDATIONS**

4.01 The Committee is requested to consider and approve the updated Internal Audit Charter as agreed by the Audit Committee and with the additional sentence added at the request of the Chair of Audit.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 None as a result of this report.

#### **6.00 ANTI POVERTY IMPACT**

6.01 None as a result of this report.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 None as a result of this report.

#### **8.00 EQUALITIES IMPACT**

8.01 None as a result of this report.

#### **9.00 PERSONNEL IMPLICATIONS**

9.01 None as a result of this report.

#### **10.00 CONSULTATION REQUIRED**

10.01 None.

**11.00 CONSULTATION UNDERTAKEN**

11.01 None.

**12.00 APPENDICES**

12.01 Internal Audit Charter Appendix A

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

PSIAS  
CIPFA Application Note

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