

Central Durham Crematorium Joint Committee

28 September 2017

Internal Audit Charter



Report of the Chief Internal Auditor and Corporate Fraud Manager

Purpose of the Report

1. The purpose of this report is to seek agreement on the revised Internal Audit Charter to take immediate effect and to be applied to reviews undertaken as part of the Internal Audit plan for 2017/18.

Background

2. The Public Sector Internal Audit Standards (PSIAS), that came into effect from April 2013, define internal audit as,

'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.'
3. These standards are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.
4. The PSIAS have been revised from 01 April 2017 in line with new and revised IPPF Global standards and consequently amendments have been made to incorporate the additional public sector requirements and interpretations.
5. The Internal Audit Charter at Appendix 2 has therefore been revised to accommodate the changes made to the PSIAS

Internal Audit Charter

6. The Internal Audit Charter defines the Internal Audit Service's purpose, authority and responsibility. It establishes Internal Audit's position within the organisation, including the nature of the Chief Internal Auditor and Corporate Fraud Manager's functional reporting relationship with the Joint Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
7. The main points and changes to the PSIAS and subsequently the Internal Audit Charter are summarised in paragraphs 8 & 9 overpage.

8. A set of Core Principles are set out for the service, taken as a whole these articulate internal audit effectiveness. In order to be considered effective all of the principles should be present and operating:
- Demonstrates integrity;
 - Demonstrates competence and due professional care;
 - Is objective and free from undue influence (independent);
 - Aligns with the strategies, objectives and risks of the organisation;
 - Is appropriately positioned and adequately resourced;
 - Communicates effectively;
 - Provides risk-based assurance;
 - Is insightful, proactive and future-focused;
 - Promotes organisational improvement.
9. The other significant changes are:
- A requirement that the Audit Charter details the Mission of Internal Audit;
 - An emphasis on proper safeguards being in place where the Chief Audit Executive has roles beyond Internal Audit;
 - The standards now explicitly refer to the service considering 'trends and emerging issues that could impact the organisation';
 - Specifically references that the service should be 'future focussed and continually add value to the organisation'; and
 - Inclusion of a new interpretation relating to reliance on other assurance providers
10. The Charter was previously considered by the Joint Committee at its meeting of 27 April 2016. Revisions to the Charter made to reflect the changes referred to above have been highlighted for ease of reference

Recommendation

11. It is recommended that in considering the content of the report, the Joint Committee approve the revised Internal Audit Charter attached at Appendix 2.

Contact: Paul Bradley Chief Internal Auditor and Corporate Fraud Manager DCC
Tel: 03000 269645

Appendix 1: Implications

Finance

The broad programme of work undertaken by Internal Audit supports the Joint Committee in maintaining safe and efficient arrangements for the proper administration of its financial affairs

Staffing

None

Risk

There are no direct risk implications arising for the Joint Committee as a result of this report, although we aim through our planning arrangements to review the adequacy and effectiveness of the risk management arrangements in place.

Equality and Diversity / Public Sector Equality Duty

None

Accommodation

None

Crime and disorder

None

Human rights

None

Consultation

None

Procurement

None

Disability issues

None

Legal Implications

Compliance with Public Sector Internal Audit Standards