

**5 July 2017**

## **Audit Committee**

### **Updated Internal Audit Charter**

**Report of:** *Greg Rubins, Head of Internal Audit (BDO)*

**Wards Affected:** *All*

**This report is:** *Public*

#### **1. Executive Summary**

1.1 This charter is a requirement of the Public Sector Internal Audit Standards (PSIAS). It formally defines internal audit's mission, purpose, authority and responsibility. It also establishes internal audit's position within Brentwood Borough Council and defines the scope of internal audit activities.

1.2 The PSIAS were revised with effect from April 2017, and the changes have been reflected in the updated charter.

#### **2. Recommendation(s)**

**2.1 That the Committee note and approve the Updated Internal Audit Charter for 2017/18.**

#### **3. Introduction and Background**

3.1 BDO has been appointed as the Internal Auditors for the Council since 2014/15. The charter defines the roles and responsibilities with regards to internal audit and the relationship between BDO as the internal auditors and the council.

3.2 The charter was last presented to the former Audit and Scrutiny Committee in March 2017 for approval. Since that time revised PSIAS have been agreed and issued by the various internal audit standard setters for the UK public sector. These include additional elements to some existing standards, a small number of new standards, interpretations and / or public sector requirements.

3.3 BDO has updated the internal audit charter for the Council to reflect the changes as follows:

- 3.3.1 Addition of the internal audit mission
  - 3.3.2 Expansion of what the standards of internal audit practice encompass
  - 3.3.3 A statement on when an internal audit function is effective
  - 3.3.4 Additional information on how internal audit will remain independent, our role in fraud, bribery and corruption, access to information
  - 3.3.5 Consideration on placing reliance on the work of other internal and external assurance providers and how this will be managed
  - 3.3.6 Additional communication on both internal and external quality reviews carried out on BDO as internal audit provider to the Council
- 3.4 The charter is required to be reviewed and updated on an annual basis.

#### **4. Issue, Options and Analysis of Options**

- 4.1 Not applicable.

#### **5. Reasons for Recommendation**

- 5.1 This charter is a requirement of the Public Sector Internal Audit Standards (PSIAS). The charter has been updated to reflect changes to the PSIAS.

#### **6. Consultation**

- 6.1 The update internal audit charter has been reviewed and agreed with the council's Section 151 Officer and Deputy Section 151 Officer.

#### **7. References to Corporate Plan**

- 7.1 Good financial management, risk management and internal control underpin all priorities within the Corporate Plan.

#### **8. Implications**

##### **Financial Implications**

**Name & Title: Jacqueline Van Mellaerts, Financial Services Manager**  
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- 8.1 There are no direct financial implications arising from this report.

##### **Legal Implications**

**Name & Title: Daniel Toohey, Head of Legal Services & Monitoring Officer**  
**Tel & Email: 01277 312 860 daniel.toohey@brentwood.gov.uk**

8.2 There are no direct legal implications arising from this report.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

8.3 Not applicable

**9. Background Papers** (include their location and identify whether any are exempt or protected by copyright)

9.1 Not applicable

**10. Appendices to this report**

- Appendix A – Updated Internal Audit Charter

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