

INTERNAL AUDIT CHARTER & PROTOCOL

Cabinet member for Finance & Democratic Services

Date: 27 March 2019
Agenda Item: 6
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Key Decision? NO
Local Ward Members



AUDIT & MEMBER STANDARDS COMMITTEE

1. Executive Summary

- 1.1 To advise Members of the proposed Internal Audit Charter and Protocol for the 2019/20 financial year.

2. Recommendations

- 2.1 That the Committee considers the attached performance report and raises any issues it deems appropriate.

3. Background

- 3.1 Internal Audit is 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 (IIA – UK & Ireland).
- 3.2 The consideration and approval of an appropriate Internal Audit Charter is an important element in providing assurance to the organisation that adequate arrangements are in place to provide the expected independent, objective opinion. The Charter must be reviewed and approved on an annual basis. The Charter complies with the Public Internal Audit Standards. Changes to the Charter are minor and are shown in the revised Charter. The revised Charter is attached as **Appendix 1**.
- 3.3 The Internal Audit Protocol supports the charter and gives detail as to the protocol of Internal Audit. It ensures that a consistent approach is applied to all audit work – including follow ups, establishes a timetable for management to respond to audit reports, and details reporting protocol within the Authority. The Internal Audit Protocol is attached as **Appendix 2**. Changes made to the Protocol include deleting the requirement for the issue of a memo in certain circumstances. After the completion of all work, a final audit report will be issued. This ensures that all data is captured on the audit software package. Report distribution is to be extended to all Members of the Audit & Member Standards Committee to ensure that all Members of the Committee are aware of the assurance levels given at the completion of the audit.

Alternative Options	1. None.
Consultation	1. The report has been discussed and agreed with the Council's S151 Officer.
Financial Implications	1. None arising from this report.
Contribution to the Delivery of the Strategic Plan	1. Internal Audit aims to support the Strategic Plan by providing an independent, objective assurance and consulting activity designed to add value and improve the Authority's operations
Equality, Diversity and Human Rights Implications	1. None arising from this report.
Crime & Safety Issues	1. None arising from this report.
GDPR/Privacy Impact Assessment	1. None identified in this report.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Non-compliance with the Public Sector Internal Standards and International Professional Practices Framework	Continuous review of Charter and Protocol to ensure that the Standards and Framework are complied with	Green (tolerable)

Background documents

Relevant web links