

Regulatory and Audit Committee

Title:	Public Sector Internal Audit Standards
Date:	Wednesday 9 November 2016
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Local members affected:

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Summary

The Public Sector Internal Audit Standards (PSIAS), which took effect from the 1 April 2013, provide a consolidated approach across the whole of the public sector providing continuity, sound corporate governance and transparency.

The Standards require all internal audit activities to implement and retain an 'Internal Audit Charter'. The purpose of the Internal Audit Charter is to formally define the internal audit activity's purpose, authority and responsibility.

The absence of an Internal Audit Charter was highlighted as an area of non-conformance with the PSIAS in the 2015/16 Annual Governance Statement.

A key element of the Internal Audit Charter is the clarification of roles and responsibilities:

- *Regulatory and Audit Committee* - the governance group charged with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.
- *The Audit Board* – the highest level of governing body charged with the responsibility to direct and/or oversee the activities and management relating to internal audit. For BCC this shall mean the creation of an Audit Board comprising of the Director of Assurance (S151 Officer), Director of Strategy and Policy (Monitoring Officer) and Head of Business Assurance (Chief Auditor).

Appendix 1 – Internal Audit Charter

Appendix 2 – Audit Board Terms of Reference

Recommendation

Members are asked to **APPROVE** the Internal Audit Charter and Terms of Reference for the Audit Board.

Background Papers

Public Sector Internal Audit Standards
Internal Audit Charter
