



Regulatory and Other Committee

Open Report on behalf of Pete Moore, Executive Director Resources & Community Safety

Report to:	Audit Committee
Date:	11 November 2013
Subject:	Review of Audit & Inspection Financial Procedure & Internal Audit Charter

Summary:

One of the key roles of the Audit Committee is to ensure that the Council has effective audit arrangements in place.

There are two key policy documents to support this activity:

- 1 Financial Procedure 7 - Audit and Inspection, and
- 2 Internal Audit Charter.

This report presents the Committee with the revised documents - taking into account the recently published UK Public Sector Internal Audit Standards and the change in the External Audit regime.

Recommendation(s):

That the Committee:

- 1 Considers and approves the revised Audit & Inspection Financial Procedure 7 (subject to any changes it wishes to be made) and:
- 2 Considers and comments on the draft Internal Audit Charter prior to wider consultation and approval by the Corporate Management Team.

Background

In light of the recent changes in both the Internal and External Audit regimes the following documents have been updated:

Financial Procedure 7 – Audit and Inspection

This procedure forms part of the Financial Regulations and procedures in the Constitution of the Council. It aims to inform officers and members of the mandatory requirements and provide guidance on good practice in the roles of internal and external audit and other inspection regimes.

The revised draft has taken into account the UK Public Sector Internal Audit Standards which came into effect from the 1st April 2013 and changes in External Audit regime. A copy of revised Financial Procedure 7 – Audit and Inspection is attached in Appendix A.

In discharging its role of having oversight of the Council's audit arrangements the Committee are asked to consider and approve the content ensuring that includes the areas it wishes to be **mandatory elements** and key areas of best practice.

Internal Audit Charter

The Internal Audit Charter is a key document setting out the nature, role, responsibilities and authority of the Internal Audit Service within the Council.

It has been updated to ensure compliance with the recently UK Public Sector Internal Audit Standards

As one of the Committee's roles is the oversight and monitoring of the effectiveness of Internal Audit Service the draft Charter is being presented to enable the opportunity to note and comment on the content before wider consultation.

The draft Charter is attached in Appendix B

Once wider consultation and approval by the Corporate Management Team has been completed the Charter will need to be approved by the Committee.

Conclusion

Audit and Inspection forms a key component of the Council's governance framework and assurance arrangements. The Audit & Inspection Financial Procedure and Internal Audit Charter will strengthen our policy and procedures in this area.

Consultation

a) Policy Proofing Actions Required

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Financial Procedure 7 - Audit & Inspection
Appendix B	Draft Internal Audit Charter - October 2013

Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
UK Public Sector Internal Audit Standards	Internal Audit Service - Lucy Pledge Head of Internal Audit & Risk Management

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