

**AUDIT COMMITTEE
15TH MARCH 2016**

INTERNAL AUDIT CHARTER REPORT

Cabinet Member Cllr Peter Hare-Scott
Responsible Officer Audit Team Leader, Catherine Yandle

Reason for Report: To present the Committee with the revised Internal Audit Charter Timetable.

RECOMMENDATION(S): The Committee notes the reasons for not revising the Internal Audit Charter at the present time.

Relationship to Corporate & Improvement Plan: A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.

Financial Implications: N/A

Legal Implications: N/A

Risk Assessment: N/A

1.0 Introduction

- 1.1 According to the MDDC Policy Framework the Internal Audit Charter was due for review at this meeting.
- 1.2 In July 2015 the International Professional Practice Framework (IPPF) was enhanced. There is an image of the new structure below in Appendix 1.
- 1.3 The definition, standards and code of ethics are unchanged. The main changes are:
- The addition of a Mission statement
 - The addition of 10 mandatory Core Principles
 - Non-mandatory elements have been renamed and are no longer “strongly” recommended
- 1.4 The Internal Audit Standards Advisory Board (IASAB) proposes that the Relevant Internal Audit standards Setters (RIASS) adopt the two main additions to the IPPF, namely the Mission and Core Principles, subject to a consultation period during which practitioners and other interested parties may comment on whether there are any fundamental barriers to their assimilation.
- 1.5 The IASAB consultation does not close until 18 March 2016. The questions are reproduced at Appendix 1 for information.

1.6 Please note that the Public Sector Internal Audit standards (PSIAS) remain in force in the UK public sector until such time as the RIASS decide to amend them. This is unlikely to be before 1 April 2017.

2.0 Conclusion

2.1 The current Internal Audit Charter was prepared in accordance with the PSIAS in order to fully meet statutory requirements so will not be reviewed until March 2017 unless the date in section 1.7 is brought forward.

Contact for more Information: Catherine Yandle, Audit Team Leader

Circulation of the Report: Cllr Peter Hare-Scott and Management Team

List of Background Papers: None

These are the consultation questions:

1. In your view, are there any fundamental reasons why the Mission of Internal Audit and the Core Principles for the Professional Practice of Internal Auditing should not be incorporated into the UK PSIAS?
2. In your view, are there any barriers to incorporating the Mission and Core Principles into the PSIAS effective from 1 April 2016?
3. In your view, would any transitional arrangements assist with the practical implementation of the new areas? (If so, please provide examples.)
4. Are there any areas of the new elements where you would appreciate more guidance? For example, the IASAB is already considering additional guidance on the term 'organisational value', as used in the Mission.)



International Professional
Practices Framework

