

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

21 MARCH 2013

REPORT OF THE ASSISTANT CHIEF EXECUTIVE - PERFORMANCE

INTERNAL AUDIT SHARED SERVICE CHARTER 2013/14

1. Purpose of Report.

1. To present to Members the Council's Internal Audit Shared Service Charter for 2013/14.

2. Connection to Corporate Improvement Objectives / Other Corporate Priorities.

- 2.1. Internal Audit's work impacts on all of the Corporate Improvement Objectives /other corporate priorities.

3. Background

- 3.1. As at the 1st April 2013, the Public Sector Internal Audit Standards (PSIAS) come into force and supersede the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Auditors.
- 3.2. The PSIAS is applicable to all areas of the United Kingdom public sector and is based on the Chartered Institute of Internal Auditor's (CIIA's) International Professional Practices Framework.

4. Current situation / proposal

- 4.1. The new "standards" bring in new mandatory requirements. The key areas are summarised as follows:-
 - The internal audit activity must be formally defined in an internal audit charter, which must be periodically reviewed and approved by the "Board". The Internal Audit Shared Service Charter is attached at Appendix A.
 - There is also a requirement to define the term "Board" and as such this is the relevant Audit Committee together with the IASS Board.
 - There is a requirement to define Internal Auditing, ensuring there is compliance with the Code of Ethics. Together with a clear process for reporting Non-compliance.
 - There are other specific local government requirements detailed throughout the document and these are referenced throughout the Charter by the Standard number.

4.2 CIPFA are publishing an application note to support the implementation of PSIAS, this is expected to be released during March 2013. However, the Internal Audit Shared Service Charter has been written without the ability to refer to this application note. Therefore, any required changes to the Charter will be referred to the relevant Audit Committee.

5. Effect upon Policy Framework & Procedure Rules.

5.1. There is no effect upon the policy framework and procedure rules

6. Equality Impact Assessment.

6.1. There are no equality issues.

7. Financial Implications.

7.1. There are no financial implications as a result of this report.

8. Recommendation.

8.1. Members review, consider and approve the Internal Audit Shared Service Charter for 2013/14 as outlined in this report.

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21st March 2013

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Background Documents

None