

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

29 SEPTEMBER 2016

REPORT OF THE CHIEF INTERNAL AUDITOR

AMENDMENTS TO KEY AUDIT DOCUMENTS

1. Purpose of Report.

1.1. To summarise for Members changes that have been made to a number of key documents used by the Internal Audit Shared Service.

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

2.1. Internal Audit's work impacts on all the Corporate Improvement Objectives/other Corporate Priorities.

3. Background

3.1. The Internal Audit Shared Service has a number of key policy documents that are utilised to ensure the efficient and effective running of the department. A requirement under the Public Sector Internal Audit Standards is that all key documents are reviewed and updated as necessary on a periodic basis.

4. Current situation / proposal.

4.1. Following a review of the Internal Audit Shared Service Manual, a number of the associated appendices have been updated. Copies of the revised documents are contained in Appendix A – C.

4.2. Charter – The Internal Audit Charter describes the purpose, authority and principal responsibilities of the audit service. The content of the previous Charter has not changed greatly; rather it has been amended to align with the Public Sector Internal Audit Standards. This provides the reader with a better structure. Minor additions to the Charter include reference to the Head of Audit as the Chief Audit Executive and the Audit Committee who assume the responsibility of the Board.

4.3. Code of Ethics – In accordance with the Internal Audit Charter, all Internal Auditors are required to confirm they will work in accordance with a code of ethics. The only update required to this document has been to include reference to the Seven Principles of Public Life.

4.4. Quality Assurance and Performance Management – The Public Sector Internal Audit Standards provide quality criteria in relation to internal audit activities, thus ensuring a culture of continuous improvement. This document has been drafted to record in one place the various activities performed by Internal Audit to ensure quality and performance management and how those activities align to the Standards.

4.5. In addition, on an annual basis, the Terms of Reference for Audit Committee should be reviewed and amended as necessary. The Chartered Institute of Public Finance and Accountancy (CIPFA) have published "Audit Committees" - Practical Guidance for Local Authorities and Police 2013 Edition. Taking into consideration the suggested terms of reference as outlined in the CIPFA publication, together with the necessary regulations including the Accounts and Audit (Wales) Regulations 2014; the Accounts and Audit (Wales) (Amendment) Regulations 2010; the Local Government (Wales) Measure 2011 and CIPFA's Delivering Good Governance in Local Government Framework; the current Terms of Reference for the Audit Committee have been reviewed and no amendments have been made; therefore, the current Terms of Reference as contained within the Council's Constitution is attached at Appendix D.

4.6. Members are invited to raise any questions on the content of these documents or amendments the made.

5. Effect upon Policy Framework & Procedure Rules.

5.1. None

6. Equality Impact Assessment.

6.1 There are no equality implications.

7. Financial Implications.

7.1. None

8. Recommendation.

8.1. That Members note the report and the updated documents. .

Helen Smith
Chief Internal Auditor
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Contact Officer: Helen Smith
Chief Internal Auditor

Telephone: (01656) 754901

E-mail: internalaudit@bridgend.gov.uk

Postal Address
Bridgend County Borough Council
Internal Audit
Innovation Centre
Bridgend Science Park
Bridgend
CF31 3NA

Background documents

Internal Audit reports relating to the above audits held within the Internal Audit Division