

Gloucester City Council

Meeting:	Audit & Governance Committee	Date:	14th March 2016
Subject:	Internal Audit Charter and Internal Audit Code of Ethics		
Report Of:	Head of Audit Risk Assurance		
Wards Affected:	N/A		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	1. Internal Audit Charter 2. Internal Audit Code of Ethics		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 The purpose of this report is to present the Internal Audit (IA) Charter and IA Code of Ethics which sets out the role, responsibility, status and authority of internal audit within Gloucester City Council, and to outline the scope of internal audit activity in line with the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards 2013 (PSIAS).

2.0 Recommendations

- 2.1 Audit & Governance Committee is asked to **RESOLVE** to review and consider the Internal Audit Charter and IA Code of Ethics, and formally approves their adoption.

3.0 Background and Key Issues

- 3.1 The City Council agreed to enter into a new internal audit shared service arrangement with Gloucestershire County Council and Stroud District Council with effect from 1st June 2015. This new arrangement was an enhancement to the previous shared service between the City Council and Stroud District Council.
- 3.2 As a result of the new shared service arrangement, the existing Internal Audit Charter, which was approved by Audit & Governance Committee in September 2013, requires updating.

4.0 Asset Based Community Development (ABCD) Considerations

- 4.1 There are no ABCD implications as a result of the recommendation made in this report.

5.0 Alternative Options Considered

- 5.1 The option not to review the existing Internal Audit Charter was considered however this was discounted as the document does not reflect the new shared service arrangements.

6.0 Reasons for Recommendations

- 6.1 One of the requirements of the Public Sector Internal Audit Standards 2013 is that an Internal Audit Charter should be approved which sets out the role, responsibility, status and authority of internal audit within the City Council. Due to the new internal audit shared service arrangement the existing Internal Audit Charter requires updating.

7.0 Future Work and Conclusions

- 7.1 The Internal Audit Charter sets out the role, responsibility, status and authority of internal audit. Following approval of the Charter, the Head of Audit Risk Assurance will ensure a consistent role out and approach across all the internal audit shared service partner organisations.

8.0 Financial Implications

- 8.1 There are no additional financial implications as a result of this report
(Financial Services have been consulted in the preparation this report.)

9.0 Legal Implications

- 9.1 None specific arising from the report recommendations. The adoption of the Charter and the Code of ethics is intended to meet the statutory requirements and will aid clarity as to how internal audit is delivered within the City Council.
(One Legal have been consulted in the preparation this report.)

10.0 Risk & Opportunity Management Implications

- 10.1 Non-compliance with legislation/mandatory professional standards Failure to deliver an effective Internal Audit Service will prevent an independent, objective assurance opinion to be provided to those charged with governance, that the key risks associated with the achievement of the Council's objectives are being adequately controlled.

11.0 People Impact Assessment (PIA):

- 11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications

Community Safety

- 12.1 There are no 'Community Safety' implications arising out of the recommendations made in this report.

Sustainability

- 12.2 There are no 'Sustainability' implications arising out of the recommendations made in this report.

Staffing & Trade Union

- 12.3 There are no 'Staffing & Trade Union' implications arising out of the recommendations made in this report.

Background Documents: Public Sector Internal Audit Standards 2013