



REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	12 DECEMBER 2013
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	INTERNAL AUDIT – Q2 MONITORING REPORT
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The report summarises the outcome of internal audit work undertaken between August and October 2013.

2.0 RECOMMENDATION

2.1 It is recommended that the Committee note the results of audit and fraud work undertaken so far during 2013/14, and approve the new internal audit charter.

3.0 REASON FOR RECOMMENDATION

3.1 To enable the Committee to fulfil its responsibility for considering the outcome of internal audit work.

4.0 SIGNIFICANT RISKS

4.1 The Council will fail to comply with proper practice requirements for internal audit if the results of audit work are not considered by an appropriate Committee.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 This report supports the Council's Corporate Strategic Objective of providing strong Community Leadership, by demonstrating a commitment to local democracy and accountability.

6.0 REPORT DETAILS

6.1 The work of internal audit is governed by the Accounts and Audit (England) Regulations 2011 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS) and CIPFA guidance on the application of those standards in Local Government. In accordance with the standards, the Head of Internal Audit is required to report on the results of audit work undertaken, to this Committee

- 6.2 This report provides an update on work undertaken against the approved audit plan for 2013/14. A brief summary of completed work is shown at Annex 1.
- 6.3 The report also provides an update on the progress made by management to implement previously agreed actions arising from audit work. A summary of the follow up work for the six month period to 30 September 2013 is show at Annex 2.
- 6.4 The new Public Sector Internal Audit Standards (PSIAS) require the Council to adopt an audit charter setting out the purpose, authority and responsibility of internal audit. Prior to April 2013, the Council had set its requirements for internal audit in terms of reference. These were in line with the former standards set by CIPFA in the Code of Practice for Internal Audit in Local Government in England and Wales (2006). The new PSAIS require that the Council adopts an internal audit charter instead. The purpose of the charter is broadly similar to the terms of reference although some of the detail required is different. For example, the new standards are more explicit about how the Head of Internal Audit reports to the “Board” (represented by the Overview and Scrutiny Committee). The proposed audit charter is attached at Annex 3. This has been prepared in accordance with the PSIAS and additional guidance from CIPFA.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None
 - b) Legal
None
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

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Background Papers:

Public Sector Internal Audit Standards
CIPFA Local Government Application Note (for the United Kingdom Public Sector Internal Audit Standards)