

## **Internal Audit – Updated Internal Audit Charter**

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### **REASON FOR ITEM**

The Internal Audit (IA) Charter sets out the purpose, authority, responsibility and position of the IA Service within the London Borough of Hillingdon. As such it is a key document in respect to the Council's internal control, risk management and corporate governance framework. The IA Charter was last updated in March 2014 to provide clearer compliance with the UK Public Sector Internal Audit Standards (PSIAS), which came into effect on 1<sup>st</sup> April 2013. The updated IA Charter was previously approved by the Council's Audit Committee on 11<sup>th</sup> March 2014.

However, the PSIAS require the IA Charter to be reviewed and approved annually by the Audit Committee. Further to this, the IA Charter has been updated to reflect the recommendation made in the June 2014 "Effectiveness of Internal Audit" Assurance Report. These updates include specific references relating to:

- the arrangements to avoid conflicts of interest where IA undertakes non-audit activities; and
- the assurances provided to any third parties by IA and the nature of those assurances.

In response to this recommendation, two paragraphs have been added (see 12.3 and 13.3 in attached updated IA Charter) and a sentence has been added to the end of paragraph 4.4 (as also highlighted in attached). There have been no amendments to the PSIAS that are required to be reflected in the IA Charter and therefore in all other material respects, the attached 2015 IA Charter is consistent with the previous version. In line with the PSIAS, the IA Charter will continue to be reviewed and approved annually, to ensure that it remains relevant to the needs of the Council.

### **OPTIONS AVAILABLE TO THE COMMITTEE**

**The Audit Committee is asked to review and approve the updated IA Charter (attached).**

### **INFORMATION**

The IA Charter supports the achievement of the Council's annual IA Plan as well as the IA strategy.

### **LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

### **BACKGROUND PAPERS**

The IA Charter (March 2014 version).