

## PLYMOUTH CITY COUNCIL

**Subject:** Internal Audit Charter and Strategy 2015/16  
**Committee:** Audit Committee  
**Date:** 25 June 2015  
**Cabinet Member:** Councillor Lowry  
**CMT Member:** Lesa Annear (Strategic Director for Transformation & Change)  
**Author:** Robert Hutchins, Head of Devon Audit Partnership  
**Contact details** robert.hutchins@devonaudit.gov.uk T: 01752 306710  
**Ref:** AUD/RH  
**Key Decision:** No  
**Part:** I

---

### **Purpose of the report:**

1. One of the requirements of the Public Sector Internal Audit Standards (PSIAS) is that the purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter and strategy, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. The internal audit charter and strategy for the financial year 2015/16 are described in detail in the accompanying report.
2. The PSIAS sets additional Public Sector requirements where the internal audit charter and strategy must also:
  - define the terms 'board' and 'senior management' for the purposes of internal audit activity;
  - cover the arrangements for appropriate resourcing;
  - define the role of internal audit in any fraud-related work; and
  - include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.
3. The revised Accounts and Audit Regulations 2015 come into effect from 1st April 2015. There are changes relating to Internal Audit:
  - inclusion of compliance to the Public Sector Internal Audit Standards (PSIAS);
  - inclusion of the remit of governance, which with reference to PSIAS includes “ethics” within audit;
  - clarification of the powers of internal audit for access to staff and members and inspection documents (including electronic records);
  - ensuring the annual governance statement is approved in advance of that of the approval of the statements of account;
  - simplification of other areas as applied.

All these matters have been previously considered and incorporated into our process and plans and so are noted here for information.

4. The Charter and Strategy complies with the mandatory requirements of the Public Sector Internal Audit Standards.
5. Delivery of the Internal Audit Service will be by the Devon Audit Partnership, a shared services arrangement between Devon County Council, Plymouth City and Torbay Councils in accordance with the agreed internal audit plan.

---

### **The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:**

The work of the Internal Audit Service assists the Council in maintaining high standards of public accountability and probity in the use of public funds. The service has a role in promoting high standards of service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council’s statutory obligations.

The delivery of the Internal Audit Service assists all directorates in delivering outcomes from the Corporate Plan:-

- Pioneering Plymouth – by ensuring that resources are used wisely and that services delivered meet or exceed customer expectations;
- Confident Plymouth - the Government and other agencies have confidence in the Council and partners.

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

None.

**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

The work of the Internal Audit Service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? No

**Recommendations and Reasons for recommended action:**

It is recommended that:

That the Committee agrees the Internal Audit Charter & Strategy for the year 2015/16

**Alternative options considered and rejected:**

None, as failure to maintain an adequate and effective system of internal audit would contravene the Accounts & Audit Regulations 2003, 2006, 2011 & 2015 & the Public Sector Internal Audit Standards.

**Published work / information:**

None

**Background papers:**

None

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

**Sign off:**

Fin	<b>DN</b>	Leg		Mon Off		HR		Assets		IT		Strat Proc	
-----	-----------	-----	--	------------	--	----	--	--------	--	----	--	---------------	--

Originating SMT Member
------------------------

Has the Cabinet Member(s) agreed the contents of the report? No
---