

PLYMOUTH CITY COUNCIL

Subject: Internal Audit Charter and Strategy 2017/18
Committee: Audit Committee
Date: 16 March 2017
Cabinet Member: Councillor Darcy
CMT Member: Andrew Hardingham Interim Joint Strategic Director
Transformation & Change - Finance
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 2017/18 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 Audit Strategy:
 - is a high-level statement of how the internal audit service will be delivered and developed in accordance with the Charter and how it links to the organisational objectives and priorities;
 - will communicate the contribution that Internal Audit makes to the organisation and should include:
 - internal audit objectives and outcomes;
 - how the Head of Devon Audit Partnership will form and evidence his opinion on the governance, risk and control framework to support the Annual Governance Statement;
 - how Internal Audit's work will identify and address significant local and national issues and risks;
 - how the service will be provided, and
 - the resources and skills required to deliver the Strategy;
 - should be approved, but not directed, by the Audit Committee.
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 Corporate Plan 2016 - 19:

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 Plan 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 2017/17

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	DN	Leg		Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report? No													