

## AUDIT & GOVERNANCE COMMITTEE

27<sup>TH</sup> MARCH 2014

### Report of the Head of Internal Audit Services

#### INTERNAL AUDIT CHARTER AND PLAN 2014-2015

##### EXEMPT INFORMATION

None

##### PURPOSE

To advise Members of the proposed Internal Audit Charter and Plan for 2014-2015, to provide Members with assurance on the appropriate operation of Internal Audit.

##### RECOMMENDATION

**That the Committee endorses the attached Internal Audit Charter and Plan 2014-2015 and raises any issues it deems appropriate.**

##### EXECUTIVE SUMMARY

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes (IIA – UK & Ireland).

The consideration and approval of an appropriate Internal Audit Charter and Plan by Members is an important element in providing assurance to the organisation that adequate arrangements are in place to provide the expected independent, objective opinion. The Charter complies with the Public Sector Internal Audit Standards (effective 1<sup>st</sup> April 2013).

In accordance with good practice, the Head of Internal Audit Services has consulted members of Corporate Management Team, to ensure current and proposed developments/projects and risks are identified, and has built these into an evaluation of the priority of the different potential areas for audit review. A proposed Audit Plan for 2014 – 15 is attached at **Appendix 2**. The Audit Plan constitutes the main operational delivery of the Internal Audit Service as part of its Internal Audit Charter which in turn sets out how the service proposes to meet statutory and professional requirements; the Charter is also attached at **Appendix 1**.

Members will recall that the Committee's Terms of Reference include the function to "receive, but not direct, internal audit's plan".

This report aims to provide members of the Committee with such an opportunity.

## **RESOURCE IMPLICATIONS**

None

## **LEGAL/RISK IMPLICATIONS**

If a thorough risk-assessed, adequately-resourced audit plan is not in place the Authority will fail to comply with statutory requirements and will not be able to provide the appropriate assurance on the internal control environment. Internal Audit has reviewed the risks to the effective delivery of its functions and has in place appropriate steps to ensure delivery.

## **SUSTAINABILITY IMPLICATIONS**

None

*“If Members would like further information or clarification prior to the meeting please contact Angela Struthers, Head of Internal Audit Services on Ext. 234.”*