

## **INTERNAL AUDIT CHARTER**

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### **1. SUMMARY**

This report introduces the Internal Audit Charter.

### **2. RECOMMENDATIONS**

2.1 The Audit Committee approve the Internal Audit Charter.

### **3. DETAILS**

3.1 Under the new Public Service Internal Audit Standards (PSIAS), Internal Audit is required to prepare an Internal Audit Charter.

3.2 The Internal Audit Charter is expected to:

- define the scope of internal audit activities
- establish the responsibilities and objectives of internal audit
- establish the organisational independence of internal audit
- establish the accountability, reporting lines and relationships between the chief audit executive (CAE) and:
  - the 'board' (the audit committee)
  - those to whom the CAE may report functionally
- recognise that internal audit's remit extends to the entire control environment of the organisation
- establish internal audit's right of access to all records, assets, personnel and premises, including those of partner organisations, and its authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities
- the general arrangements for appointing staff and the skills required
- the role of internal audit (the scope and also limitations) in any fraud-related work
- the arrangements for avoiding conflicts of interest when carrying out non-audit activities, and
- a definition of the term 'board' (for the purposes of internal audit activity).

### **4. CONCLUSION**

The Internal Audit Team working with Grant Thornton has prepared an Internal Audit Charter in line with the requirements of the Public Sector Internal Audit Standards.

## **5. IMPLICATIONS**

5.1	Policy:	None
5.2	Financial:	None
5.3	Legal:	None
5.4	HR:	None
5.5	Equalities:	None
5.6	Risk:	None
5.7	Customer Service:	None

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