

Report of the Head of Internal Audit and Corporate Ant-Fraud

AUDIT COMMITTEE – 19th April 2017

INTERNAL AUDIT CHARTER 2017/18

1. Purpose of the Report

- 1.1 This report prefaces the annually reviewed and revised Internal Audit Charter. The Charter is attached.

2. Recommendation

- 2.1 **It is recommended that the Audit Committee consider the Internal Audit Charter and be satisfied that it meets the requirements of the Public Sector Internal Audit Standards and adequately represents and describes the required function to provide the Audit Committee and senior management with a professional service.**

3. Background

- 3.1 The update of the Charter has considered the requirements of the revised Public Sector Internal Audit Standards which became effective from the 1st April 2017.
- 3.2 The Charter, prepared by the Head of Internal Audit (HoIA) and complemented by regular reports and an annual report, are intended to give the Audit Committee assurances regarding how the Internal Audit function is resourced, managed, organised and delivers its responsibilities.

4. The Internal Audit Charter

- 4.1 The Audit Committee considers the Charter annually as required by the Public Sector Internal Audit Standards (PSIAS).
- 4.2 This latest review has ensured that the Charter reflects the current working arrangements of the function but also the aspirations and developments necessary to ensure continuous improvement. The Charter will be made available to all employees through the Service's Intranet site.
- 4.3 The Charter has been revised to also reflect the changes within the broad client base and the revised structure of the Service that became effective from 1st April 2017 following a fundamental review through the Future Council programme.
- 4.4 The Internal Audit Team provides services to Barnsley MBC, Berneslai Homes, the South Yorkshire Police and Crime Commissioner, South Yorkshire Police Chief Constable, South Yorkshire Fire and Rescue Authority, South Yorkshire Pensions Authority, the Sheffield City Region Combined Authority and the South Yorkshire Passenger Transport

Executive. Core Internal Audit coverage is now a 40:60 split between the Council and non-Council clients.

- 4.5 The Charter will undergo an annual review to ensure it remains reflective of current working arrangements and professional standards.

5. Local Area Implications

- 5.1 There are no Local Area Implications arising from this report.

6. Compatibility with European Convention on Human Rights

- 6.1 In the conduct of audit work and investigations particularly, Internal Audit operates under the provisions of the Data Protection Act 1998, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

7. Reduction of Crime and Disorder

- 7.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. The control issues arising from audit investigations have been considered to ensure improvements in overall controls are made. Additionally, Internal Audit ensures that in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

8. Risk Management Considerations

- 8.1 The underlying purpose of the work of Internal Audit is to address and advise on key risks facing management and, as such, risk issues are inherent in the body of the report.
- 8.2 The Division's operational risk register has been fundamentally revised to reflect the changing client base, reduced resources, significant workload pressures, access to and use of IT resources with the underlying aim of providing a high quality, professional and flexible service to all client organisations.

9. Employee Implications

- 9.1 There are no employee implications arising from this report.

10. Financial Implications

- 10.1 The costs of the Internal Audit function are included within the Authority's base budget. The services provided to client organisations are paid for under the terms of a Service Level Agreement.

11. Appendices and Background Information

- 11.1 Appendix 1 - Internal Audit Charter and Strategy 2017/18

11.2 The Public Sector Internal Audit Standards (PSIAS) and the International Standards for the Professional Practice of Internal Auditing (IPPF) are available from the Internal Audit Service or accessible on the internet.

Contact Officer: Head of Internal Audit and Corporate Anti-Fraud
Telephone : 01226 773241
Date : 6th April 2017