

Report for:	Corporate Committee 22 June 2015	Item number	
--------------------	-------------------------------------	--------------------	--

Title:	Internal Audit Charter
---------------	-------------------------------

Report authorised by :	Assistant Director of Corporate Governance
-------------------------------	--

Lead Officer:	Anne Woods, Head of Audit and Risk Management Tel: 020 8489 5973 Email: anne.woods@haringey.gov.uk
----------------------	--

Ward(s) affected: ALL	Report for: Non-Key Decision
------------------------------	-------------------------------------

1. Describe the issue under consideration

1.1 The requirement to implement an Internal Audit Charter was introduced within the 2013 UK Public Sector Internal Audit Standards. The Internal Audit Charter sets out the purpose, authority and responsibility of the Council's Internal Audit function. The Corporate Committee is responsible for reviewing and approving the Internal Audit Charter as part of its Terms of Reference.

1.2 The Audit Charter forms part of the Council's overall internal audit strategy and the initial Audit Charter was approved by the Corporate Committee in March 2013. The revised charter has been updated following the recommendations of the independent peer review of the internal audit services in October 2014 and is presented to the Corporate Committee for approval.

2. Cabinet Member Introduction

2.1 Not applicable

3. Recommendations



3.1 That the Corporate Committee reviews and approves the Internal Audit Charter.

4. Other options considered

4.1 Not applicable.

5. Background information

5.1 Local authorities are required by law to maintain an internal audit function. In addition, The Accounts and Audit (Amendment) (England) Regulations 2011 reinforce the statutory requirement and re-state the need for the Council to maintain an adequate and effective system of internal audit.

5.2 Within Haringey, the Internal Audit function is comprised of Mazars, who undertake the majority of the internal audit work in accordance with the contract in place, including IT and procurement audit. The in-house corporate anti-fraud team is responsible for investigations into allegations of financial irregularity, pro-active and reactive corporate anti-fraud work, provision of advice on risk and controls and grant certification work.

5.3 One of the requirements of the PSIAS is for the Council to have an internal audit 'charter' which must formally define the purpose, authority and responsibility of the internal audit activity. The charter will also cover arrangements for avoiding conflicts of interest if internal audit carries out any 'non-audit' activities. In Haringey, this applies as the Head of Audit and Risk Management is responsible for the Insurance and Risk Management activities across the Council. These activities are subject to regular independent review by both external audit and Mazars to ensure that appropriate arrangements are in place.

5.4 The Audit Charter has been updated to incorporate the recommendations of the independent peer review of Haringey's internal audit function which was completed in October 2014. The revised strategy now includes the definitions of 'The Board' and 'Senior Management'.

6. Comments of the Chief Financial Officer and Financial Implications

6.1 There are no direct financial implications arising from this report. The work which will be completed by Mazars to deliver the internal audit function, as set out in the Audit charter, is part of the contract which was awarded, in compliance with EU regulations, from 1 April 2012. The costs of this contract are contained and managed within the Audit and Risk Management revenue budgets which are monitored on a monthly basis.

7. Legal Implications



Haringey Council

7.1 The Assistant Director, Corporate Governance has been consulted in the preparation of this report and advises that there are no direct legal implications arising out of the report.

8. Equalities and Community Cohesion Comments

8.1 This report deals with how the internal audit function is to be delivered, in accordance with PSIAS, to provide assurance on the key risks across all areas of the council, which have an impact on various parts of the community. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.

9. Head of Procurement Comments

9.1 Not applicable.

10. Policy Implications

10.1 There are no direct implications for the Council's existing policies, priorities and strategies.

11. Use of Appendices

11.1 Appendix A – Internal Audit Charter