

Audit Committee

Meeting to be held on 27 June 2011

Electoral Division affected: All

Internal Audit Service terms of reference and strategy (Appendix A refers)

Contact for further information:

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Executive Summary

The Internal Audit Service works to terms of reference that reflect the requirements of the Chartered Institute of Public Finance and Accountancy's Code of Practice for Internal Audit in Local Government in the United Kingdom, 2006. Although this Code remains unchanged, it is appropriate periodically to review our terms of reference and to reflect the changes that have occurred within the county council since the Internal Audit Service's terms of reference and strategy were last revised in January 2011.

The proposed revised terms of reference and audit strategy are attached at Appendix A.

Recommendation

The Committee is asked to consider the revised Terms of Reference and audit strategy.

Background and Advice

The Chartered Institute of Public Finance and Accountancy's Code of Practice for Internal Audit in Local Government in the United Kingdom, 2006, states specifically in relation to internal audit's Terms of Reference that they should:

- a. establish the responsibilities and objectives of internal audit
- b. establish the organisational independence of internal audit
- c. establish the accountability, reporting lines and relationships between the head of internal audit and:
 - (i) those charged with governance
 - (ii) those to whom the head of internal audit may report
- d. recognise that internal audit's remit extends to the entire control environment of the organisation

- e. identify internal audit's contribution to the review of the effectiveness of the control environment
- f. require and enable the head of internal audit to deliver an annual audit opinion
- g. define the role of internal audit in any fraud-related or consultancy work
- h. explain how internal audit's resource requirements will be assessed
- i. 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 document attached at Appendix A achieves these objectives.

Consultations

Not applicable.

Implications

Not applicable

Risk Management

Not applicable

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/ Directorate/ Ext
Chartered Institute of Public Finance and Accountancy's Code of Practice for Internal Audit in Local Government in the United Kingdom	2006	Ruth Lowry, x 34898

Reason for inclusion in Part II, if appropriate:

Not appropriate.