

JOINT INDEPENDENT AUDIT COMMITTEE

04 DECEMBER 2017

INTERNAL AUDIT CHARTER

JOINT REPORT OF THE JOINT CHIEF FINANCE OFFICER AND INTERNAL AUDIT MANAGER

1 Purpose of the Report

- 1.1 To approve the revised Internal Audit Charter.

2 Background

- 2.1 The purpose, authority and responsibility of Internal Audit must be formally defined in an Internal Audit Charter, consistent with the definition of Internal Auditing outlined in Public Sector Internal Audit Standards (PSIAS).
- 2.2 The Internal Audit Charter was revised in March 2013 to comply with the introduction of a common set of UK Public Sector Internal Audit Standards (PSIAS) with effect from 1 April 2013.
- 2.3 These standards are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.
- 2.4 The Internal Audit Manager must periodically review the Internal Audit Charter and present it for approval. The Internal Audit Charter was last presented to Committee in December 2016.
- 2.5 The PSIAS have been revised from 1 April 2017 in line with new and revised IPPF Global standards and consequently amendments have been made to incorporate the additional public sector requirements and interpretations.
- 2.5 This report seeks comments on, and approval, of the Internal Audit Charter in line with best practice.

3 Revised Internal Audit Charter

- 3.1 A key element of compliance with PSIAS is the regular review and approval by the Joint Independent Audit Committee of an Internal Audit Charter. The Charter is a formal document that defines Internal Audit's purpose, authority and responsibility and establishes its position within

both the Office of the Police and Crime Commissioner (OPCC) and the Force, setting out the Internal Audit Manager's functional reporting relationships, authorises rights of access for Internal Audit staff and defines the scope of Internal Audit activity.

- 3.2 The main points and changes to the PSIAS that have been incorporated into the Internal Audit Charter are summarised as follows:
- Inclusion of a new interpretation relating to reliance on other assurance providers (paragraph 7.1.1).
 - Specifically references that the Service should be 'future focussed and continually add value to the organisation' (paragraph 7.1.3).
 - The Standards now explicitly refer to the service considering 'trends and emerging issues that could impact on the organisation' (paragraphs 8.5-8.7 of the Internal Audit Charter).
- 3.3 In addition, the PSIAS also require the Internal Audit Charter to include emphasis on proper safeguards being in place where the Chief Audit Executive has roles beyond Internal Audit. As the Internal Audit Manager does not provide any additional roles beyond internal audit to the OPCC and the Force this has not been incorporated into the revised Internal Audit Charter.
- 3.4 The revised Internal Audit Charter is attached at Appendix A for approval.

4 Equal Opportunities implications

- 4.1 It is considered that there are no equal opportunities implications arising from the report.

5 Human Rights implications

- 5.1 It is considered that there are no human rights implications arising from the report.

6 Risk Management implications

- 6.1 There are no additional risk management implications arising directly from this report. The Internal Audit Charter supports the effective and efficient use of resources.

7 Financial implications

- 7.1 There are no financial implications directly arising from this report.

8 Recommendation

- 8.1 The Committee is requested to approve the Internal Audit Charter.