

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

22 June 2009

### Report of the Chief Internal Auditor

#### Part 1- Public

#### Delegated

### 1 INTERNAL AUDIT CHARTER

#### 1.1 Background

- 1.1.1 The Internal Audit Section is required to comply with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.
- 1.1.2 One of the requirements of the Code is that Internal Audit should have an Audit Charter setting out the Terms of Reference of the service within the organisation. This Charter should be reviewed on a regular basis and adopted by Members.
- 1.1.3 Following the issue of the Code of Practice the Internal Audit Charter underwent a major redraft in 2007 and it was adopted this Committee at the meeting of 25 June 2007.
- 1.1.4 The Charter has been reviewed and it is considered that there are no significant changes required to it. As part of the Peer Review carried out by Gravesham Borough Council's Internal Audit Section a minor change was recommended to define what is meant by Consultancy provision and this has been added at the end of Section 4 of the attached draft at **[Annex 1]**. The Peer Review undertaken by Gravesham Borough Council is the subject of a separate report elsewhere on the agenda.

#### 1.2 Legal Implications

- 1.2.1 The Council has a statutory duty to comply with the Accounts and Audit Regulations 2003. Compliance with this Code of Practice is recognised as providing "proper procedures".
- 1.2.2 A failure to comply with the Code of Practice could lead to an external review determining that the Council does not have proper accounting procedures in place.

**1.3 Financial and Value for Money Considerations**

1.3.1 As the Code forms part of the annual external audit inspection regime then failure to comply with it could result in additional inspection costs.

**1.4 Risk Assessment**

1.4.1 The Code of Practice is designed to set a standard for Audit performance to be measured against. A failure to comply with the Code of Practice would lead to adverse external reports and would prevent the Audit Commission from being able to rely on the work of Internal Audit.

**1.5** It is **RECOMMENDED** that Members approve adoption of the revised Audit Charter.

Background papers:

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Nil

David Buckley  
Chief Internal Auditor