

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

21 June 2010

Report of the Chief Internal Auditor

Part 1- Public

Delegated

1 REVIEW OF INTERNAL AUDIT CHARTER

Summary

This report informs Members of the minor changes made to the charter and recommends that the Audit Committee approves the revised 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 2006 Code of Practice the Internal Audit Charter underwent a major redraft in 2007 that was adopted by this Committee at the meeting of 25 June 2007.
- 1.1.4 Since this major review only minor amendments have been made to the Charter. The Code of Practice has not been revised since 2006 and therefore there are no areas within the Charter that require changing.
- 1.1.5 The Government have announced that the CAA process including Key Lines of Enquiry has been terminated so previous references to this process have been removed. A copy of the proposed Charter is attached **[Annex 1]**.

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 Recommendations

- 1.5.1 It is RECOMMENDED that Members approve adoption of the revised Audit Charter.

Background papers:

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Nil

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