

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

12 April 2011

### Report of the Chief Internal Auditor

#### Part 1- Public

#### Delegated

### 1 REVISION OF AUDIT CHARTER

#### Summary

The aims and objectives of the Internal Audit Section are set out in the Audit Charter. This Charter contains the Internal Audit Terms of Reference and Members are asked to review the revision and endorse it.

#### 1.1 Introduction

1.1.1 As part of the Council's overall Internal Control Procedure the Internal Audit Charter sets out the roles and responsibilities of Internal Audit. The Charter was first prepared in 2005 as a requirement for the Key Lines of Enquiry. Although this is no longer in place the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 requires them.

1.1.2 The Charter is reviewed regularly to ensure that it remains up to date to seek Member endorsement of the Terms of Reference contained within it.

1.1.3 The updated Charter is attached at **[Annex 1]**. This revision takes into account the fact that the Council has a partnership agreement with Gravesham Borough Council for the provision of the audit function under the resources section. There are no other changes required.

1.1.4 As part of the Partnership agreement both Audit Sections are comparing documents and the next charter review will be considered jointly.

#### 1.2 Legal Implications

1.2.1 The Council are required to ensure that a satisfactory procedure of internal control exists. Failure to meet this requirement could lead to an adverse report by external inspectors.

1.2.2 The Audit Terms of Reference are designed to ensure that Internal Audit is able to comply with the requirements of legislation. This is based upon the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 being identified as the basis for “proper accounting procedures”.

### 1.3 Financial and Value for Money Considerations

1.3.1 Without an adequate internal control the Council could be exposed to fraud and error that could have an adverse effect on the accounts.

### 1.4 Risk Assessment

1.4.1 The Internal Audit function provides an independent review of internal controls and this is used to assist Members in their assessment of the control environment of the organisation. Risk assessment is one of the main factors in developing the audit plan.

### 1.5 Equality Impact Assessment

1.5.1 Internal Audit provides an assurance function that provides an independent and objective opinion to the organisation on the control environment. However, it will take into consideration any factors to prevent discrimination.

### 1.6 Recommendation

1.6.1 Members are **RECOMMENDED** to review the Internal Audit Charter and approve its endorsement.

Background papers:

contact: David Buckley

CIPFA Code of Practice For Internal Auditors in Local Government 2006

David Buckley  
Chief Internal Auditor

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	The Audit Charter is related to internal controls therefore is not discriminatory.

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	The audit process is intended to treat all contacts fairly and overtly.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*