

Cheltenham Borough Council
Audit Committee – 9 January 2013
Audit Charter

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| Accountable member | Cabinet member corporate services |
| Accountable officer | Head of Audit Cotswolds – Robert Milford |
| Accountable scrutiny committee | Economy and business improvement |
| Ward(s) affected | All |
| Key Decision | No |
| Executive summary | <p>As from 1st April 2013 the internal audit service at Cheltenham BC will be required to comply with the Public Sector Internal Audit Standards (PSIAS) as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA).</p> <p>The Audit Charter is one of the documents that demonstrates how the service will operate and forms part of the requirements of the PSIAS. The Audit Charter was last approved by this committee in 2009 at the formation for the Cheltenham and Cotswold audit partnership.</p> |
| Recommendations | The Audit Committee approves the Audit Charter |

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| Financial implications | <p><i>There are no direct financial implications arising from this report.</i></p> <p>Contact officer: Mark Sheldon, Chief Finance Officer mark.sheldon@cheltenham.gov.uk, 01242 264123</p> |
| Legal implications | <p><i>None specific arising from the report recommendation.</i></p> <p>Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01684 272012</p> |
| HR implications (including learning and organisational development) | <p><i>No additional HR implications arising from this report.</i></p> <p>Contact officer: Julie McCarthy, HR Operations Manager julie.mccarthy@cheltenham.gov.uk, 01242 26 4355</p> |
| Key risks | <p>That without the Charter in place there is a lack of direction and control for the service and a lack of understanding with management as to what the service provides</p> |

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| <p>Corporate and community plan Implications</p> | <p><i>“Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”</i> (Chartered Institute of Internal Auditing UK & Ireland).</p> <p>This is the mission of Audit Cotswolds as set out in the Charter</p> |
| <p>Environmental and climate change implications</p> | <p>Environmental and climate change issues are considered when reviewing elements of a shared service as set out in the Charter.</p> |

1. Background

- 1.1 With the introduction of the Public Sector Internal Audit Standards (PSIAS) approaching for a 1st April 2013 requirement, and following the final governance changes to the internal audit partnership earlier in the year, it is an appropriate time to revisit the Audit Charter and ensure it is fit for purpose for April 2013.
- 1.2 This Charter is being presented for approval at each of the Audit Cotswolds Audit Committees with the intention to ensure standardisation of audit operations.

2. Reasons for recommendations

- 2.1 Under the terms of reference for the Audit Committee one of its key responsibilities is in relation to the provision of internal audit. The committee is required to ensure an effective internal audit service is provided and that they can provide a reasonable assurance to the committee on the control framework in operation at Cheltenham BC.

3. Audit Charter

- 3.1 Since April 2012 a Section 101 agreement and Service Level Agreement has been in place to formally establish the partnership (Audit Cotswolds) as the internal audit provider for Cheltenham BC, Cotswold DC and West Oxfordshire DC local authorities.
- 3.2 This partnership is managed by the Head of Audit Cotswolds and the Audit Partnership Board. There are other governance arrangement in place, such as, a 3-year resources and financial plan along with the Audit Charter.
- 3.3 The Charter details the internal audit partnership mission and objectives. It also provides guidance on its authority, accountability, customer care (quality control), independence, reporting, responsibility and audit standards.
- 3.4 Appendix 1 of this report sets out the full Audit Partnership Charter. It should be noted that the Charter is being approved by all of the partner Council's Audit Committees.

4 Conclusion

- 4.1 The Charter has set out the various roles and responsibilities that Audit Cotswolds considers part of its function.

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| Report author | Robert Milford, Head of Audit Cotswolds, 01242 775174, Robert.milford@cheltenham.gov.uk |
| Appendices | Appendix 1 – Audit Charter |
| Background information | none |