

## **AUDIT CHARTER**

**Report By: Principal Audit Manager**

### **Wards affected**

County-wide

### **Purpose**

To approve the updated draft Audit Charter.

### **Financial Implications**

None.

### **Recommendation**

**THAT the Audit Charter be adopted.**

### **Reasons**

All principal local authorities and other relevant bodies subject to the Accounts and Audit Regulations (Amendment)(England) Regulations 2006 should make provision for Internal Audit in accordance with the CIPFA Code of Practice.

### **Considerations**

1. The Audit and Corporate Governance Committee has included in its terms of reference the requirement to approve the terms of reference for Internal Audit.
2. Cabinet approved the previous terms of reference in April 2002.
3. Since approval there have been a number of changes to the approach on internal control and corporate governance within the Council. The main one is the adoption of an Audit Committee, which had its first meeting in September 2005 and has now been, renamed the Audit and Corporate Governance Committee.
4. The Code of Practice for Internal Audit states that 'the purpose, authority, and responsibility of Internal Audit must be formally defined by the organisation in terms of reference consistent with the Code'.

### **Risk Management**

5. If the Council does not review and update its Audit Charter in line with good practice it could impact adversely on the Councils aspirations to improve its Use of Resources Internal Control score.

### **BACKGROUND PAPERS**

- Code of Practice for Internal Audit 2006