


## REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

19 October 2017

<b>Subject:</b>	Internal Audit Charter
<b>Director:</b>	Executive Director – Resources – Darren Carter
<b>Contribution towards Vision 2030:</b>	
<b>Contact Officer(s):</b>	Peter Farrow Audit Services and Risk Management Manager <a href="mailto:peter_farrow@sandwell.gov.uk">peter_farrow@sandwell.gov.uk</a>

### DECISION RECOMMENDATIONS

**That Audit and Risk Assurance Committee:**

1. Review and approve the Internal Audit Charter.

#### 1 PURPOSE OF THE REPORT

- 1.1 For the Audit and Risk Assurance Committee to undertake the annual review of, and approve the council's Internal Audit Charter.

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## **2 IMPLICATIONS FOR SANDWELL'S VISION**

- 2.1 Internal Audit contributes to the achievement of Sandwell's vision by examining and reporting on the state of the council's governance, risk management and internal control environment and the implementation of the recommendations made by Internal Audit should increase the efficiency and effectiveness of the council.

## **3 BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 There is a statutory requirement for internal audit to work in accordance with the 'proper audit practices'. These 'proper audit practices' are in effect the 'Public Sector Internal Audit Standards' and the council's Internal Audit Charter reflects this. The Charter was approved by the Audit and Risk Assurance Committee in September 2013 and is now due for its annual review. There have been no changes since its last review.

## **4 THE CURRENT POSITION**

- 4.1 The report does not require a decision and therefore, no position analysis is necessary.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 The review of the Internal Audit Charter has been reported to the respective Director.

## **6 ALTERNATIVE OPTIONS**

- 6.1 The report does not require a decision and therefore, alternative options do not need to be considered.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 There are no direct financial and resource implications arising from this report.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 Internal audit is a statutory service in the context of the Local Government Accounts and Audit Regulations (Amendment)(England) 2015. The Act states that: *“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”*. These Standards have been adopted by the council’s internal audit section.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 It was not necessary to undertake an Equality Impact Assessment.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 It was not necessary to undertake a Data Protection Impact Assessment. Data gathered during audit reviews is used and retained in accordance with current legislative requirements.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 There are no direct crime and disorder and risk implications arising from this report.

## **12 SUSTAINABILITY OF PROPOSALS**

- 12.1 There are no direct sustainability issues arising from this report.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

- 13.1 There are no direct health and wellbeing implications from this report.

## **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

- 14.1 There is no direct impact on any council managed property or land from this report.

## **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

The purpose of the report is for the Audit and Risk Assurance Committee to perform an annual review of, and approve the Internal Audit Charter. As such, no decision is required.

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**16 BACKGROUND PAPERS**

16.1 The Public Sector Internal Audit Standards

**17 APPENDICES:**

None.

**Darren Carter**  
**Executive Director – Resources**