

INTERNAL AUDIT SERVICE
TERMS OF REFERENCE & INTERNAL AUDIT STRATEGY
(Report by the Audit & Risk Manager)

1. Introduction

- 1.1 The terms of reference and strategy documents for Internal Audit were last approved by the Panel in June 2010 with the intention to review them again this year.

2. Professional Developments

- 2.1 In May 2011, the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Institute of Internal Auditors (IIA) agreed to collaborate in the development of the internal audit profession in the public sector. As a result, national Public Sector Internal Audit Standards (PSIAS), based upon the mandatory elements of the global IIA's International Professional Performance Framework are being developed.

The PSIAS are due to be published by the end of the year and will consist of the following:

- Definition of Internal Auditing
- Code of Ethics; and
- Standards for the Professional Practice of Internal Auditing.

- 2.2 The PSIAS will apply statutorily to UK central and local government. The CIPFA Audit Panel is drafting a new local government Code of Practice for internal audit which is due to be published alongside the PSIAS.
- 2.3 It would seem sensible to delay review of the Council's terms of reference and strategy documents for Internal Audit until these have been received. Revised documents will then be presented to the Panel for consideration. If the changes are significant, a short presentation will be given before the meeting outlining the main changes and how they will affect the work of Internal Audit.

3. Recommendation

- 3.1 It is recommended that the Panel note this report.

ACCESS TO INFORMATION ACT 1985

None

Contact Officer: David Harwood, Audit & Risk Manager ☎ 01480 388115