



<u>Committee and date</u>
Audit Committee
7 December 2009
9.15am

<u>Item No</u>
9
Public

ANNUAL REVIEW OF INTERNAL AUDIT TERMS OF REFERENCE

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Summary

This report proposes some minor changes to the Internal Audit Terms of Reference.

Recommendations

- A. Members are asked to comment on the proposed changes to the Internal Audit Terms of Reference.

Introduction

1. Best practice dictates that there should be clear Terms of Reference established for Internal Audit and approved by the Director of Resources as Section 151 Officer. The current Terms of Reference for Internal Audit were last reviewed and updated in November 2008. Under the core functions of the Audit Committee there is a requirement for this Committee to consider and comment annually on any proposals for the revisions to the Terms of Reference for Internal Audit to ensure they are current and up to date.
2. Terms of Reference for Internal Audit have been in place for some time and have been periodically updated to reflect the latest best practice guidance and to reflect any changes required by legislation.
3. The current Terms of Reference for Internal Audit cover:
 - The legislative framework
 - Role and objectives
 - Scope

- Competence and standards
 - Internal audit planning
 - Internal audit reporting
 - Relationships
 - Independence
 - Quality assurance
 - Rights of access.
4. The Terms of Reference were updated in November 2006 to reflect the Accounts and Audit (Amendment) (England) Regulations 2006 and the Code of Practice for Internal Audit in the United Kingdom issued in November 2006 and these are still current. A revision to this code is expected within the next twelve months.
 5. Having reviewed the Terms of Reference the only changes made are minor.
 6. Members are asked to comment on the proposed changes to the Internal Audit Terms of Reference. A copy of the Terms of Reference with changes identified in red are attached as **Appendix A**.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

Environmental Appraisal

N/A

Risk Management Appraisal

Incomplete or out of date Internal Audit Terms of Reference could lead to significant areas of work or responsibility not being identified and thereby weakening the Council's internal control arrangements.

Community / Consultations Appraisal

Cabinet Member

Keith Barrow, Leader of the Council (Brian Williams, Chairman of Audit Committee)

Local Member

Appendices

Appendix A – Internal Audit Terms of Reference