



## Committee report

Committee	<b>AUDIT COMMITTEE</b>
Date	<b>19 FEBRUARY 2018</b>
Title	<b>INTERNAL AUDIT CHARTER AND CODE OF ETHICS</b>
Report of	<b>CHIEF INTERNAL AUDITOR</b>

---

### EXECUTIVE SUMMARY

1. This report is to present the Internal Audit Charter and Code of Ethics for approval as required under the Public Sector Internal Audit Standards.

### BACKGROUND

2. On 1<sup>st</sup> April 2013 the 'Public Sector Internal Audit Standards' (PSIAS) were formally adopted in respect of Local Government across the UK. The PSIAS replace the CIPFA Code of Practice for Internal Auditors in Local Government in the UK and encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).
3. The PSIAS apply to all internal service providers, whether in-house, shared services or outsourced. The requirements of the Standards are covered in the Internal Audit Charter & Code of Ethics. The Standards have been revised from 1 April 2016 to incorporate the mission of Internal Audit and Core Principles for the Professional Practice of Internal Auditing.
4. A requirement of the PSIAS is for the relevant Internal Audit Service to operate under an approved Internal Audit Charter & Code of Ethics, which defines the purpose, roles and authorities of auditors, key officers and members. A copy of the proposed charter is attached as appendix A.

### CONSULTATION

5. The only internal consultation that has taken place has been with the section 151 Officer who has the statutory responsibility for maintaining an adequate and effective system of internal audit.

## FINANCIAL / BUDGET IMPLICATIONS

6. There are no direct financial implications of this report.

## LEGAL IMPLICATIONS

7. There are no direct legal implications of this report.

## EQUALITY AND DIVERSITY

8. The council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups. The council is required to have adequate governance arrangements in place to effectively manage its resources.

## RISK MANAGEMENT

9. The council has a duty to ensure that it has an effective internal audit section in place and that it complies with the PSIAS by not approving an appropriate audit charter and code of ethics the committee would not be fulfilling its obligations under statute.

## RECOMMENDATION

10. To approve the Internal Audit Charter & Code of Ethics as required under the Public Sector Internal Audit Standards.

## APPENDICES ATTACHED

[Appendix A](#) - Internal Audit Charter & Code of Ethics

Contact Point: Elizabeth Goodwin, Chief Internal Auditor,  
☎ 07908184889 e-mail [Elizabeth.goodwin@portsmouthcc.gov.uk](mailto:Elizabeth.goodwin@portsmouthcc.gov.uk)

CHRIS WARD  
*Director of Finance & Section 151 Officer*

COUNCILLOR ADRIAN AXFORD  
*Chair of Audit Committee*