

Agenda item: 

**Title of meeting:** Governance & Audit & Standards

**Date of meeting:** 26<sup>th</sup> September 2013

**Subject:** Audit Charter & Code of Ethics

**Report by:** Lyn Graham, Chief Internal Auditor

**Wards affected:** None

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

- 1.1 The purpose of the report is to gain Members' approval for the revised Portsmouth City Council's Internal Audit Charter to ensure that it complies with the new Standards and Code of Ethics following the introduction of the "Public Sector Internal Audit Standards" by the Institute of Internal Auditors.

**2. Recommendations**

- 2.1 Members approve the revised Internal Audit Charter & Code of Ethics.

**3. Background**

- 3.1 On 1<sup>st</sup> April 2013 the 'Public Sector Internal Audit Standards' (PSIAS) were formally adopted by the 'Relevant Internal Audit Standards Setters' which include; HM Treasury in respect of Central Government; the Department of Health in respect of the Health Sector in England; and the Chartered Institute of Public Finance and Accountancy (CIPFA) in respect of Local Government across the UK.
- 3.2 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). The PSIAS apply to all internal service providers, whether in-house, shared services or outsourced. All requirements within the standards are covered in the attached Internal Audit Charter & Code of Ethics, Appendix A.
- 3.3 The PSIAS define the nature of internal auditing and sets out basic principles for carrying out internal audit activities. Its overall objective is in establishing a

framework for Internal Audit which adds value to organisation and improves its processes and operations.

3.4 The Internal Audit Charter has been revised to include the changes between the CIPFA Code of Practice and PSIAS requirements.

**4. Reasons for recommendations**

4.1 The Internal Audit Charter and Code of Ethics attached include all of the requirements of PSIAS including all mandatory requirements.

**5. Equality impact assessment (EIA)**

5.1 The Internal Audit Charter and Code of Ethics are not subject to an equalities impact assessment.

**6. Legal Comments**

6.1 There are no legal implications arising directly from this report

**7. Finance Comments**

7.1 The content of this report does not have any financial implications.

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Signed by: Lyn Graham, Chief Internal Auditor

**Appendices:**

Appendix A – Internal Audit Charter & Code of Ethics

**Background list of documents:**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Public Sector Internal Audit Standards.	<a href="http://www.iaa.org.uk/media/110148/public_sector_internal_audit_standards.pdf">http://www.iaa.org.uk/media/110148/public_sector_internal_audit_standards.pdf</a>

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Signed by: