

DECISION-MAKER:	GOVERNANCE COMMITTEE		
SUBJECT:	INTERNAL AUDIT & COUNTER FRAUD CHARTER & CODE OF ETHICS 2018-19		
DATE OF DECISION:	23rd APRIL 2018		
REPORT OF:	CHIEF INTERNAL AUDITOR		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Elizabeth Goodwin	Tel: 023 8083 4616
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STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
<p>On 1st April 2013 the 'Public Sector Internal Audit Standards' (PSIAS) were formally adopted in respect of Local Government across the UK.</p> <p>The PSIAS apply to all internal service providers, whether in-house, shared services or outsourced.</p> <p>The purpose of the PSIAS are to:</p> <ul style="list-style-type: none"> • define the nature of internal auditing within the UK public sector • set basic principles for carrying out internal audit in the public sector • establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and • establish the basis for the evaluation of internal audit performance and to drive improvement planning. <p>Conformance to the standards must be reported by the Chief Internal Auditor in the annual audit report as part of the opinion on the internal control framework.</p> <p>The requirements of the Standards are covered in the attached Internal Audit & Counter Fraud Charter & Code of Ethics, Appendix 1.</p>			
RECOMMENDATIONS:			
	(i)	That the Governance Committee approves the Internal Audit & Counter Fraud Charter & Code of Ethics as attached.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	In accordance with the Public Sector Internal Audit Standards the Chief Internal Auditor is required to periodically review the internal audit charter and present it to the Governance Committee for approval.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None		

DETAIL (Including consultation carried out)	
3.	The Internal Audit & Counter Fraud Charter & Code of Ethics has been approved by the s151 Officer who has the responsibility for maintaining an adequate and effective internal audit function within Southampton City Council.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
4.	None
<u>Property/Other</u>	
5.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
6.	The Accounts and Audit (England) Regulations 2015 state 'a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards.
<u>Other Legal Implications:</u>	
7.	None
RISK MANAGEMENT IMPLICATIONS	
8.	Failure to maintain an effective internal audit functions would result in a failure of the organisation meeting its statutory responsibilities in relation to the Annual Governance Statement and Annual Audit Opinion.
POLICY FRAMEWORK IMPLICATIONS	
9.	None
KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Audit Charter & Code of Ethics 2018-19
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	

Other Background documents available for inspection at: Internal Audit Office, Civic Centre, Municipal, 1st floor, Rm 219.

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	Public Sector Internal Audit Standards