

AC31. INTERNAL AUDIT CHARTER AND EXTERNAL QUALITY ASSESSMENT

The Committee considered a report by the Internal Audit Manager on the Internal Audit Charter which had been produced in accordance with the Public Sector Internal Audit Standards (PSIAS) and developed jointly by CIPFA and the Chartered Institute of Internal Auditors (CIIA).

The PSIAS Standards required that the Charter should set out the role, authority, and responsibility of the Internal Audit Section and required approval by the Committee. The Charter focussed on the following high level principles relating to the functioning of the Internal Audit section:-

- The role of Internal Audit;
- The professionalism, authority and scope;
- The organisational arrangements;
- The independence and objectivity;
- The responsibility in terms of the reporting requirements and consultancy work and fraud/corruption, and
- The quality assurance arrangements.

The report referred to the requirement for periodic External Quality Assessments through the development of a quality assurance and improvement programme for evaluation of compliance with the Standards. This included an annual self assessment and a five yearly independent external assessment undertaken by a qualified independent assessor.

The report also sought approval of a proposal to participate in a peer review national External Quality Assessment scheme being developed by the Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG).

Decision

The Committee agreed:-

- (1) the Internal Audit Charter attached as Appendix 1 to the report; and**
- (2) Internal Audit's participation in the Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG) External Quality Assessment scheme.**