

Report to: Audit Committee
Date of meeting: 17th March 2010
Report of: Audit Manager
Title: Terms of Reference for Internal Audit.

1.0 **SUMMARY**
With effect from 1st April 2010 there will be a single Internal Audit Service covering Watford BC and Three Rivers DC. Internal Audit's Terms of Reference need to be amended to reflect the changed circumstances.

2.0 **RECOMMENDATIONS**

2.1 The revised Terms of Reference for Internal Audit be approved.

Contact Officer:

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Report approved by: Bernard Clarke – Head of Strategic Finance.

3.0 **DETAILS**

- 3.1 Under Shared Services there is to be a single Internal Audit Service covering Watford BC and Three Rivers DC. As a consequence, the objectives and responsibilities of the existing audit service will be changing. The new service will become fully operational from 1st April 2010.
- 3.2 In accordance with the Chartered Institute of Public Finance and Accountancy's *Code of Practice for Internal Audit* the old Terms of Reference have been amended to reflect the service changes and the new version is being submitted to both Councils' Audit Committees for approval.

4.0 **IMPLICATIONS**

4.1 **Financial**

- 4.1.1 The Head of Strategic Finance comments that there are no financial implications in this report.

4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 The Head of Legal and Property Services comments that there are no legal issues in the report.

4.3 **Potential Risks**

4.3.1

Potential Risk	Likelihood	Impact	Overall score
Failure to adopt the Terms of Reference will have no adverse affect on the work of Internal Audit but in order to comply with the Code they will have to be resubmitted.	1	1	1

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Former Terms of Reference.
Code of Practice for Internal Audit.

File Reference

None.