

27<sup>TH</sup> JUNE 2013

**REPORT OF HEAD OF INTERNAL AUDIT SERVICES**

**REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT**

**EXEMPT INFORMATION**

None

**PURPOSE**

To provide members with the findings of the review of the effectiveness of Internal Audit.

**RECOMMENDATIONS**

**That the Committee endorses the report.**

**EXECUTIVE SUMMARY**

The Council is required to conduct an annual review of the effectiveness of Internal Audit under the Accounts and Audit regulations 2011 and the findings need to be considered by a committee (Audit & Governance Committee) of the Authority.

This review forms part of the assurance gathering process for the Annual Governance Statement.

An effective Internal Audit service is a key part of the Council's governance arrangements and for adding value to its services.

The review of the effectiveness of internal audit is completed by a self assessment against the CIPFA Code of Practice for Internal Audit in Local Government in the UK (2006). The self assessment is attached as **Appendix 1**.

The Code of Practice comprises eleven standards/principles covering 37 related areas and 194 specific questions in the assessment.

In summary, compliance against the Codes is as follows:

<b>Summary of Findings</b>	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>N/A</b>
Scope of Internal Audit	20	1		
Independence	12	1		2
Ethics for Internal Auditors	10			1
Audit Committees	11			
Relationships	11	2		1
Staffing, Training & CPD	11			
Audit Strategy & Planning	21			
Undertaking Audit Work	18			
Due Professional Care	11			
Reporting	31			1
Performance, Quality & Effectiveness	28			1
<b>Total</b>	<b>184</b>	<b>4</b>		<b>6</b>

As from 1<sup>st</sup> April, 2013, the Public Sector Internal Audit Standards came into effect and compliance with the Standards will be reported to this Committee later during this year. Details of the main changes the new Standards were reported to this committee on the 31<sup>st</sup> January 2013.

#### **RESOURCE IMPLICATIONS**

None

#### **LEGAL/RISK IMPLICATIONS BACKGROUND**

Failure to complete the review of the effectiveness of Internal Audit will lead to non-compliance with the Accounts & Audit Regulations 2011

#### **SUSTAINABILITY IMPLICATIONS**

None

#### **BACKGROUND INFORMATION**

CIPFA Code of Practice for Internal Audit in Local Government in the UK (2006).

#### **REPORT AUTHOR**

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#### **LIST OF BACKGROUND PAPERS**

#### **APPENDICES**

Appendix 1 CIPFA Internal Audit Code 2006 – Compliance Checklist