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## PROPOSED REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

### 1 SUMMARY

- 1.1 The purpose of this report is to advise Members of changes in requirements of the Accounts & Audit Regulations 2003.

### 2 INTRODUCTION

- 2.1 Regulation 6 of the Accounts & Audit Regulations requires that the Authority maintain an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with proper internal audit practices, as detailed in the CIPFA Code of Practice for Internal Audit in local government in the United Kingdom.
- 2.2 Amendments to the Regulations require the Authority to carry out an annual review of the effectiveness of the system of internal audit as part of the process prior to completing the Statement on Internal Control (SIC). The External Auditor cannot carry out the review although the extent to which the External Auditor can place reliance on the work of Internal Audit should be considered.
- 2.3 The Department for Communities & Local Government (DCLG) suggests the Audit Committee is the appropriate group to receive and consider the results of the review as it already has the oversight role for internal audit and considers the annual SIC.
- 2.4 The Head of Internal Audit will complete a self-assessment contained within the CIPFA Code of Practice. This will then be reviewed by the senior officers and then submitted to the Audit Committee for consideration in advance of the SIC.

### 3 RECOMMENDATION

- 3.1 It is proposed that the Committee **RESOLVES**
- (1) That the review of the effectiveness of the system of internal audit will be carried as outlined in this report.
  - (2) That Officers investigate the possibility of a partnership approach to the annual review with other local authorities.

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**Background Papers: -**

None

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