

REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

1 SUMMARY

- 1.1 The purpose of this report is to advise Members of the outcome of a review of the effectiveness of internal audit, which has been carried out in accordance with the decision taken by this Committee at its meeting held on 20 February 2007.

2 INTRODUCTION

- 2.1 The Accounts & Audit Regulations require the Authority to 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 Members will recall that 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).
- 2.3 At its meeting on 20 February, the Committee agreed to adopt Department for Communities & Local Government (DCLG) guidance which requires the Head of Internal Audit to complete a self assessment based on the CIPFA Code of Practice. This self assessment to then be reviewed by the Corporate Director (External Services) and the Corporate Policy Manager, being senior officers within the Authority who have no functional or managerial links with internal audit, and the results of the review to then be reported to this Committee.

3 OUTCOME OF REVIEW

- 3.1 The Audit & Process Review Manager completed an extensive self-assessment which was then reviewed by the Corporate Director (External Services) and Corporate Policy Manager. Overall, the review found that internal audit offers a high standard of service that is appropriate to suit both the nature of the Council's activities and the size of the audit team. A number of issues were identified as possible areas for future development, such as reviewing the terms of reference contained within the Charter and improving annual reporting arrangements to Members. These have been discussed with the Audit & Process Review Manager who has already incorporated them into her work programme. Where appropriate, these changes will be incorporated within the Audit Charter and it is suggested that the Committee reviews the Charter at the earliest opportunity and on an annual basis thereafter.

4 RECOMMENDATION

4.1 It is proposed that the Committee **RESOLVES**

- (1) To note the satisfactory outcome of the review.
- (2) To review the Audit Charter at the next meeting and annually thereafter.

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Background Papers:-

Self Assessment completed by Audit & Process Review Manager

CIPFA Guidance

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