

## **Internal Audit - Effectiveness of Internal Audit 2013/14**

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### **REASON FOR ITEM**

The effectiveness of Internal Audit (IA) is a key cornerstone of good governance. The Accounts and Audit (England) Regulations 2011 require relevant bodies 'to conduct an annual review of the effectiveness of its IA' and that IA should conform to 'proper practices'.

IA conducts an annual review which self-assesses the effectiveness of the IA function and provides assurance over IA's compliance with the UK Public Sector IA Standards (PSIAS), enabling key stakeholders to measure the efficiency and effectiveness of the IA service. The PSIAS outline the requirement for an 'Internal Assessment' which includes monitoring the performance of IA activity and performing periodic self-assessments by an Internal Auditor with sufficient knowledge of IA practices.

The legislation states that external assessments must be conducted at least once every five years by a qualified, independent assessor or by an assessment team from outside the organisation. An external assessment of the Council's IA function took place in 2012; therefore the next assessment is due in 2017.

### **OPTIONS AVAILABLE TO THE COMMITTEE**

**The Audit Committee is asked to review and note the findings, recommendations and management action proposed in the Effectiveness of IA, final report.**

### **INFORMATION**

The review was performed by a qualified Chartered Internal Auditor who joined Hillingdon in February this year. To ensure independence and objectivity, the draft report was reviewed by the Corporate Director of Finance. The report sets out how the IA service complies with the PSIAS.

### **LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

### **BACKGROUND PAPERS**

Final IA Assurance Report - Effectiveness of Internal Audit, published on 24 June 2014.