

Internal Audit - Effectiveness of Internal Audit

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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'. If the Effectiveness of IA is not measured then the IA service will not know where to improve or how efficient and effective the service is.

IA conducts an annual review which assesses the effectiveness of the IA function and provides assurance over IA's compliance with the UK Public Sector IA Standards (PSIAS). 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 an appropriately qualified and experienced senior member of staff in the IA team 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 9th June 2015.

Audit Committee 2 July 2015

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