

CAMBRIDGE CITY COUNCIL

REPORT OF: Director of Business Transformation

TO: Civic Affairs Committee

26 June 2015

WARDS: All

INTERNAL AUDIT: REVIEW OF EFFECTIVENESS 2014 / 2015

1 INTRODUCTION

- 1.1 In accordance with the requirements of the Accounts and Audit Regulations 2011 the Council conducts an annual review of the effectiveness of Internal Audit. This is to be considered as part of its governance assurance processes, including the production of the Annual Governance Statement.

2 RECOMMENDATION

- 2.1 Members are requested to consider and comment on the Review of Effectiveness.

3 OVERALL OPINION

- 3.1 The report demonstrates that the Council has an effective system of Internal Audit including a policy framework, Internal Audit function, designated audit committee and effective management engagement.**

4 INTERNAL AUDIT EFFECTIVENESS

- 4.1 The Accounts and Audit Regulations 2011 require all Councils to annually review the effectiveness of its Internal Audit and to present the results of that review to the appropriate committee.
- 4.2 An assessment of Internal Audit has been carried out which is presented for consideration by this Committee. It contains an opinion on the effectiveness of the service including self-assessments against a number of publications, these include:
- “*Public Sector Internal Audit Standards*”. These standards replace the “*Code of Practice for Internal Audit in Local Government in the UK (CIPFA, 2006)*”. While they were only introduced on 1 April 2013, it has been used in order that any actions requiring conformity can be established early on and appropriate plans put in place; and
 - The “*Statement on the Role of the Head of Internal Audit in Local Government*” (CIPFA, 2010).

- 4.3 The review was undertaken by the Head of Internal Audit and the report (**Appendix 1**) is presented for Members' consideration and comment.
- 4.4 To further ensure appropriate independent scrutiny of the service, an external assessment is proposed for 2015 / 2016 to validate the assessment, subject to any impact of the proposed changes to the standards which are scheduled for this year. If there are any material changes, it would be appropriate to roll back the assessment into 2016.

5 CONCLUSION

- 5.1 Consideration of a range of views on the system of Internal Audit operating within the Council during 2014 / 2015 indicates that this has been both appropriate and effective. The associated Action Plan has been established in order to continue to monitor the compliance with the Standards.

6 IMPLICATIONS

- (a) **Financial Implications**
None
- (b) **Staffing Implications**
None
- (c) **Equality and Poverty Implications**
None
- (d) **Environmental Implications**
None
- (e) **Procurement**
None
- (f) **Consultation and communication**
None
- (e) **Community Safety Implications**
None

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

- Internal Audit Plans
- Internal Audit reports issued
- Internal Audit Terms of Reference
- Accounts and Audit (Amendment) (England) Regulations 2011
- Statement on the Role of the Head of Internal Audit in Local Government, CIPFA
- Public Sector Internal Audit Standards, IIA / CIPFA

To inspect these documents contact Steve Crabtree on extension 8181.

The author and contact officer for queries on the report is Steve Crabtree on extension 8181.