

**AUDIT AND GOVERNANCE COMMITTEE**

**29 June 2012**

**REVIEW OF INTERNAL AUDIT 2011/12**

**Report of the Executive Director of Commercial and Corporate Services**

**1. Purpose of Report**

- 1.1 The purpose of this report is to provide members of the Committee with an overview of the Audit Commission's Review of Internal Audit for 2011/12.

**2. Description of Decision**

- 2.1 Members are asked to note the report.

**3. Background**

- 3.1 The Accounts and Audit Regulations require that an annual review of the effectiveness of internal audit is carried out. This takes the form of a self assessment against the CIPFA Code of Practice for Internal Audit in local Government and an independent review by the Audit Commission.

**4. Findings of the Review**

- 4.1 The findings of the review for 2011/12 are attached in the Audit Commission's report. The approach used by the Audit Commission was to conduct a review of Internal Audit's quality system against the requirements of the CIPFA Code and to review a sample of audit files to assess how well the standards are complied with.

- 4.2 The Audit Commission's review highlighted only one recommendation which is shown on page 10 of the attached report. The review concluded that:

*'Our review confirmed that IAS continues to meet its professional and statutory duties. Processes in place are driven by an effective Quality System. Our detailed review of files did not highlight any significant non-compliance with the Quality System or the Code.'*

4.3 The review has confirmed that appropriate arrangements are in place for the provision of Internal Audit in the Council. This is a particularly positive outcome given the amount of change and restructure that the team has been going through recently to enable the Council's new Integrated Assurance Framework to be implemented.

## **5. Recommendations**

5.1 Members are asked to note the contents of the attached report.