

BRECKLAND COUNCIL

Report of the Head of Internal Audit to the AUDIT COMMITTEE – 15 June 2012

Review of the Effectiveness of Internal Audit

1 Purpose of Report

- 1.1 This report sets out the results of an annual review of the effectiveness of Internal Audit, undertaken to satisfy criteria in the Accounts and Audit Regulations 2011. Internal Audit's performance and quality assurance framework has been examined to enable the Audit Committee to confirm whether Internal Audit Services are effective, and that the assurances provided in the Internal Audit Annual Report and Opinion can be relied upon, and used to inform the Council's Annual Governance Statement for 2011/12. The outcomes of the review are attached at **Appendix 1**.

2 Recommendations

It is recommended that the Committee:

- 2.1 Note the findings of the review, and the evidence gathered in support of the effectiveness of the Internal Audit Service, and take these into consideration when receiving the Head of Internal Audit's Annual Report and Opinion, and the Council's Annual Governance Statement

Note: In preparing this report, due regard has been had to equality of opportunity, human rights, prevention of crime and disorder, environmental and risk management considerations as appropriate. Relevant officers have been consulted in relation to any legal, financial or human resources implications and comments received are reflected in the report.

3 Information, Issues and Options

3.1 Background

- 3.1.1 CIPFA's Statement on the Role of the Head of Internal Audit in Local Government states that "The Head of Internal Audit occupies a critical position in a local authority, helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good corporate governance".
- 3.1.2 The Accounts and Audit Regulations 2011 require that a Council the size of Breckland must undertake an annual review of the effectiveness of its internal audit function, and that this review be undertaken by the same body that reviews the effectiveness of the system of internal control.
- 3.1.3 Through undertaking this review, members can be satisfied that the relevant assurances provided are reliable and based upon a firm foundation, and that the service itself is operating effectively.
- 3.1.4 The review is attached at **Appendix 1**, and essentially benchmarks the service against a range of 8 measures.

3.2 Options

- 3.2.1 No other options have been presented.

3.3 Reasons for Recommendation(s)

- 3.3.1 To demonstrate that due processes have been followed in relation to conducting an annual review of the effectiveness of Internal Audit and that reliance can be placed on the opinions expressed by the Head of Internal Audit, which can then be used to inform the authority's Annual Governance Statement.

4 Risk and Financial Implications

4.1 Risk

4.1.1 None, as the service has deemed to be effective

4.2 Financial

4.2.1 None.

5 Legal Implications

5.1 None

6. Other Implications

a) Equalities: None

b) Section 17, Crime & Disorder Act 1998: None

c) Section 40, Natural Environment & Rural Communities Act 2006: None

d) Human Resources: None

e) Human Rights: None

f) Other: None

7. Alignment to Council Priorities

7.1 Confirming the effectiveness of the Internal Audit Service supports the delivery of the Council's business activities and the internal control environment in which services operate, and hence, contributes to the achievement of the Council's priorities.

8. Ward/Community Affected

8.1 All

Background Papers

None

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Key Decision Status (Executive Decisions only):

Non-Key

Appendices attached to this report:

Appendix 1: Annual Review of the Effectiveness of Internal Audit