

HAVANT BOROUGH COUNCIL

GOVERNANCE AND AUDIT COMMITTEE

EFFECTIVENESS OF INTERNAL AUDIT REPORT 2013-14

Head of Southern Internal Audit Partnership

FOR DECISION

Cabinet Lead: Governance and Logistics – Cllr Jackie Branson

Key Decision: No

1.0 Purpose of Report

1.1 Under the Accounts and Audit (England) Regulations 2011 Havant Borough Council is required, at least once a year, 'to conduct a review of the effectiveness of its internal audit'. The purpose of this paper is to provide the Governance & Audit Committee with an overview of the measures currently in place to monitor and maintain internal audit effectiveness, taking cognisance of the Public Sector Internal Audit Standards and the Local Government Application Note.

2.0 Recommendation

2.1 That the Governance and Audit Committee:

- Note the review conducted in assessing the 'Effectiveness of Internal Audit'; and
- Endorse the action plan generated from the assessment against the Public Sector Internal Audit Standards.

3.0 Summary

3.1 The Accounts and Audit (England) Regulations 2011 - S6 states:

'(1) A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'.

'(3) A larger relevant body must, at least once in each year, conduct a review of the effectiveness of its internal audit.'

3.2 With affect 1 April 2013 the 'Public Sector Internal Audit Standards' and the 'Local Government Application Note' together are regarded as 'proper practices'.

3.3 A self assessment has been undertaken and has concluded a high level of compliance with 'proper practices'. Details of the assessment are provided in the attached briefing note and appendices.

4.0 Implications

4.1 Resources:

Internal Audit is provided through the Southern Internal Audit Partnership. The audit plan consisted of 380 audit days and remained fluid throughout the year to meet the changing needs of the Council.

4.2 Legal:

Compliance with the Accounts and Audit (England) Regulations 2011.

4.3 Strategy:

Internal audit plays a vital role in helping the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

4.4 Risks:

The audit needs assessment follows a risk based audit approach taking cognisance of the Council's risk register.

4.5 Communications:

None directly from this report.

4.6 Customers and Community:

None directly from this report although improvements to controls and governance arrangements will ensure more efficient and effective service delivery.

4.7 Integrated Impact Assessment (IIA):

N/A

5.0 Consultation

5.1 The report has been discussed and approved by the Management Team who met at the Executive Board on 03 June 2014.

Appendices:

Appendix 1 – Effectiveness of Internal Audit 2013-14

Agreed and signed off by:

Legal Services: 03 June 2014

Finance: 03 June 2014

Executive Head of Governance & Logistics: 03 June 2014.

Contact Officer: Neil Pitman
Job Title: Head of Southern Internal Audit Partnership
Telephone: 01962 845139
E-Mail: neil.pitman@hants.gov.uk