

REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

19 September 2019

Subject:	CIPFA Audit Committee Update 29
Director:	Executive Director – Resources – Darren Carter
Contribution towards Vision 2030:	
Contact Officer(s):	Peter Farrow Audit Services and Risk Management Manager peter_farrow@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. Review and comment upon the latest CIPFA Audit Committee Update.

1 PURPOSE OF THE REPORT

To inform the Audit and Risk Assurance Committee of the latest CIPFA Audit Committee Update which has a focus on the CIPFA Statement on the Role of the Head of Internal Audit, External Audit Arrangements for English Local Government Bodies and a Regular Briefing on Current Issues.

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2 **IMPLICATIONS FOR SANDWELL'S VISION**

- 2.1 The Audit and Risk Assurance Committee helps strengthen the risk, governance and internal control environment.

3 **BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 CIPFA produce a series of briefing papers to support public sector audit committee members and to provide a practical resource for those who support audit committees. The update is published approximately three times a year. Each one will include a main feature, together with pointers to new developments or guidance that audit committee members may need to be aware of. The latest edition includes a focus on the CIPFA Statement on the Role of the Head of Internal Audit, External Audit Arrangements for English Local Government Bodies and a Regular Briefing on Current Issues.
- 3.2 The Statement on the Role of Head of Internal Audit has five principles that should be applicable to any public sector organisation. For each principle the organisational arrangements are identified along with the characteristics of the role and of the individual. The principles are aligned to the professional standards for internal audit the Public Sector Internal Audit Standards:

The head of internal audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:

- objectively assessing the adequacy and effectiveness of governance and management of risks, giving an evidence-based opinion on all aspects of governance, risk management and internal control
- championing best practice in governance and commenting on responses to emerging risks and proposed developments.

To perform this role the head of internal audit must:

- be a senior manager with regular and open engagement across the organisation, particularly with the leadership team and the audit committee
- lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively

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- be professionally qualified and suitably experienced

As recognised in the Internal Audit Charter (which is approved annually by the Audit and Risk Assurance Committee), the council has adopted the Public Sector Internal Audit Standards, and the Head of Audit role is performed taking into account the requirements of these five principles.

4 THE CURRENT POSITION

- 4.1 The report does not require a decision and therefore, no position analysis is necessary.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The outcomes of the individual reports have been discussed with the relevant stakeholders and reported to the respective Director.

6 ALTERNATIVE OPTIONS

- 6.1 The report does not require a decision and therefore, alternative options do not need to be considered.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 There are no direct financial and resource implications arising from this report.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The council is not obliged by law to appoint an Audit Committee, but this course of action has been taken in line with guidance from CIPFA.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 It was not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 It was not necessary to undertake a Data Protection Impact Assessment. Data gathered during audit reviews is used and retained in accordance with current legislative requirements.

11 CRIME AND DISORDER AND RISK ASSESSMENT

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11.1 There are no direct risk implications arising from this report.

12 **SUSTAINABILITY OF PROPOSALS**

12.1 There are no direct sustainability issues arising from this report.

13 **HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

13.1 There are no direct health and wellbeing implications from this report.

14 **IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 There is no direct impact on any council managed property or land from this report.

15 **CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 The purpose of the report is to inform the Audit and Risk Assurance Committee of the latest CIPFA Audit Committee Update. As such, no decision is required.

16 **BACKGROUND PAPERS**

16.1 None.

17 **APPENDICES:**

17.1 CIPFA Audit Committee Update Number 29

Darren Carter, Executive Director – Resources