

## SUGGESTED RESPONSE FROM THE AUDIT COMMITTEE

The Peterborough City Council Audit Committee welcomes the opportunity to consider and to comment on the draft Statement, and believes that this is an opportune time to re-emphasise the importance of the role of the HIA in providing assurance to those charged with governance in public sector organisations.

### **1. Do the five principles cover the right ground? If not, how might they be amended or augmented?**

- The Committee considers that the five principles do cover the right ground.

### **2. Are there any aspects of the Statement that would reduce its relevance, or prevent it being applied in any areas of the public services? Please explain any potential issues and suggest appropriate alternatives.**

- Whilst generally supporting the requirements outlined in the Statement, the Committee believes that it could be more clearly recognised that some public sector bodies, due to the size, may find it more difficult to comply fully with the suggested principles of independence for the role of the HIA.
- A particular case will be in respect of the production of the annual statement of governance, where there is a requirement that “*the annual governance report is reviewed but not prepared by the Head of Internal Audit*”. HIAs in smaller organisations may by necessity have a greater involvement in the actual drafting and production of the document, rather than just being responsible for reviewing it.

### **3. Do you support CIPFA’s proposal that organisations should confirm compliance with the Statement in their annual governance reports?**

- The Committee supports the proposal that organisations should review and report on compliance with the Statement in their annual governance reports.
- However, the Committee is also aware that there are other similar statements and guidance documents that could equally require formal confirmation of compliance in annual governance reports, such as the Statement on the role of the chief financial officer and the Code of Practice for Internal Audit in Local Government, and that these compliance requirements may vary between different types of organisations in the public sector. It is therefore suggested that CIPFA may also wish to consider and identify other relevant compliance confirmation requirements for inclusion in annual governance reports, perhaps on a sector specific basis. It may be beneficial for CIPFA to produce a self-assessment checklist on an organisational specific basis to aid the review of compliance and provide a framework to attach supporting evidence to.

### **4. How should CIPFA follow up the Statement to help HIAs, Audit Committees and others make best use of audit resources and maximise the impact that they make?**

- The Committee believes that the role of CIPFA’s Audit Panel is key to supporting HIAs, Audit Committees and all those charged with governance in public sector bodies. The Audit Panel should continue to seek to raise the profile of internal audit in the public sector, and to lead on and coordinate the provision of relevant training opportunities, publications and professional guidance.
- A training programme for Audit Committee members, delivered regionally to assist in minimising travel requirements, would be particularly useful.
- Further, it would be beneficial for CIPFA to work with government to ease burdens on local authorities that can have an impact on Internal Audit resources. An example would be the number of grants that now require sign off by both the Chief Internal Auditor and the Section 151 Officer.

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