

Report to: Audit Committee

Date: 25th June 2007

Report of: Head of Internal Audit &SDT

Report No:

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Report Title: **CIPFA Code of Practice for Internal Audit in the UK 2006 –
Follow Up**

**Confidential /
Non Confidential:**

(Non-Confidential) This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose:

To inform the Audit Committee of the progress with implementing the outstanding issues from the CIPFA Code of Practice for Internal Audit in the UK 2006.

Recommendations:

Audit Committee is asked to consider the progress to date and agree to receive further updates at future meetings

Background Doc(s):

CIPFA Code of Practice for Internal Audit in the UK 2006
Report to Audit Committee 15th March 2007

1. BACKGROUND:

At its meeting of 15th March 2007 Audit Committee received a report on the CIPFA Code of Practice for Internal Audit in the UK 2006. This code replaces the 2003 code and represents best practice in this area.

The code highlighted the following 11 standards for the internal audit service:

- Scope of internal audit
- Independence
- Ethics for internal audit
- Audit Committee
- Relationships
- Staffing, Training and continuous professional development
- Audit strategy and planning
- Undertaking audit work
- Due professional care
- Reporting
- Performance, Quality and Effectiveness.

Bolton scored well against the new code, achieving 96% compliance. Audit Committee agreed to receive regular reports on progress on the outstanding areas.

2. CURRENT POSITION:

The last report to Audit Committee referred to above listed 5 areas for improvement along with a timetable for implementation. A summary of progress to date is given below:

Item:	Action Required:
1. Clarification around the Terms of Reference of the service Progress: Achieved – Audit Committee 15 th March 2007.	Audit Committee 15 March 2007
2. Develop relationships with the internal auditors of other partner organisations Progress:	September 2007

Organisations now identified, discussion underway about best ways of working	
3. Seek to establish channels of communication with other regulatory and inspection agencies. Progress: Organisations now identified, discussion underway about best ways of working	September 2007
4.Minor additions to the information included in the annual audit plan Progress: Achieved - Report to Audit Committee 25 th June 2007	Audit Committee June 2007
5. Formalisation of the external quality assurance arrangements. Progress; Looking at peer review with other GM authority.	Audit Committee September 2007

Good progress has been made on these issues. Work on items 2 and 3 is still going on and is expected to be an evolving process. There are a number of organisations that the council works with and these all operate in different ways. The initial work is concentrating on protocols for working together with a view to benefiting from the work of that each organisation does whilst avoiding duplication where possible.

3. **RECOMMENDATIONS:**

Audit Committee is asked to consider the progress to date and agree to receive further updates at future meetings.