

# Accounts, Audit and Risk Committee

## Internal Audit Review

23 June 2010

### Report of Head of Finance

#### PURPOSE OF REPORT

This document sets out the outcome of the Audit Commission triennial review of the work of our Internal Audit function that is provided by PricewaterhouseCoopers (PwC)

This report is public

#### Recommendations

The meeting is recommended:

- (1) To note the contents of the report

#### Executive Summary

##### **Introduction**

- 1.1 This report provides the Committee with a review of the work of internal review carried out by the Audit Commission.
- 1.2 The review of the work of IA is to ensure that it is working as intended and to see if the Audit Commission can place reliance on their work.
- 1.3 Internal Audit for both Cherwell District Council and Oxford City Council is provided by PricewaterhouseCoopers (PwC) and the Audit Commission has carried out a joint review.
- 1.4 The audit fee is set on the assumption that the Audit Commission can place reliance on the work of IA. If they are unable to place reliance on their work then the Council may incur further charges.
- 1.5 The aim of the review is to assess whether Internal Audit operates in accordance with the Local Government Internal Audit standards. These set out the minimum requirements for internal audit functions; they do not set out any qualitative measures but on whether they meet the requirements as set out in the Standards.

1.6 The outcome of the review can be seen in Appendix 1.

**Conclusion**

1.7 PwC comply with the Internal Audit Standards in all material respects and the Audit Commission has concluded that they can place reliance on Internal Audit's work.

1.8 There are a few areas that have been identified as scope for improvement and an action plan has been drawn to address these by September 2010

### **Key Issues for Consideration/Reasons for Decision and Options**

The following options have been identified. The approach in the recommendations is believed to be the best way forward

**Option One** To note the contents of the report

**Option Two** To raise issues or questions relating to this report

### **Implications**

**Financial:** There are no financial or risk implications.  
Comments checked by Karen Muir, Corporate System Accountant 01295 22159

**Legal:** There are no implications arising from this report  
Comments checked by Liz Howlett, Head of Legal and Democratic Services 01295 221686

**Risk Management:** The review of internal audit must take into consideration the requirements of the Local Government Auditing Standards.  
Comments checked by Karen Muir, Corporate System Accountant 01295 22159

### **Wards Affected**

All

### **Document Information**

<b>Appendix No</b>	<b>Title</b>
Appendix 1	Triennial Review of Internal Audit
<b>Background Papers</b>	
None	

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