

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**AUDIT COMMITTEE**

**25 March 2013**

1. **PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

Report of the Audit Services Manager

RECOMMENDED

THAT the new Public Sector Internal Audit Standards be noted.

2. **PURPOSE OF REPORT.**

- 2.1 To bring to the attention of, and ask the Committee to note the new Public Sector Internal Audit Standards.

3. **BACKGROUND**

From 1 April 2013 the CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006, is being replaced by a new set of Public Sector Internal Audit Standards.

The standards have been issued by the “Relevant Internal Audit Standard Setters” which includes CIPFA, the Chartered Institute of Internal Auditors and HM Treasury.

The objectives of the standards are to:

- define the nature of internal auditing within the UK public sector
- set basic principles for carrying out internal audit in the UK public sector
- establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and
- establish the basis for the evaluation of internal audit performance and to drive improvement planning.

They apply to all internal audit service providers, whether in-house, shared services or outsourced.

They provide a definition of internal auditing as follows:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

There are no major changes in these standards from those that formed the CIPFA Code of Practice for Internal Audit in Local Government. However, Audit Services will review, update and adapt working practices and processes wherever required, in order to ensure that all of these standards are met. Compliance with these standards will then be reported back to the Audit Committee in the 2013/14 Annual Internal Audit Report.

#### 4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report will not lead to and/or do not relate to a policy change.

#### 5. **LEGAL IMPLICATIONS**

The Accounts and Audit Regulations Act states that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

#### 6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

### **BACKGROUND PAPERS**

Public Sector Internal Audit Standards

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