

## **Audit and Governance Committee**

**30<sup>th</sup> May 2019**

### **THE ROLE OF THE HEAD OF INTERNAL AUDIT**

#### **1.0 Background**

- 1.1 The Head of Internal Audit occupies a critical position, helping the Council to achieve its objectives by evaluating the effectiveness of governance, risk management and internal control arrangements and playing a key role in promoting good corporate governance.
- 1.2 CIPFA published an updated 'Statement on the Role of the Head of Internal Audit' in April 2019 (CIPFA Statement), ensuring that it aligns with the UK Public Sector Internal Audit Standards (PSIAS) 2017.
- 1.3 The Statement is supplemented with a publication 'Leading Internal Audit in the Public Sector, Putting the Principles into Practice', which aims to provide examples of how Heads of Internal Audit are successfully working with their organisations putting the principles contained in the CIPFA Statement into practice.
- 1.4 The role of the Head of Internal Audit is assigned to Caroline Barlow, Deputy Director – Finance and Human Resources.

#### **2.0 CIPFA Statement**

- 2.1 The aim of the CIPFA Statement is to set out the role of the Head of Internal Audit in public service organisations, and to help ensure organisations engage with and support the role effectively.
- 2.2 This CIPFA Statement sets out the responsibilities of the Head of Internal Audit and also those of the organisation.
- 2.3 The intended audience for the CIPFA Statement is not just the Head of Internal Audit, but also those with a leadership role and members of the audit committee.
- 2.4 CIPFA recommends that the organisation evaluates the arrangements for Internal Audit and considers the extent to which the arrangements align to the principles, and that the vital role of the Head of Internal Audit is given its due recognition and support.

#### **3.0 The Principles**

- 3.1 The CIPFA Statement includes five principles defining the activities and behaviours relating to the role of the Head of Internal Audit:
  1. 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.
  2. Championing best practice in governance and commenting on responses to emerging risks and proposed developments.
  3. Be a senior manager with regular and open engagement across the organisation, particularly with the leadership team and with the audit committee.

4. Lead and direct an internal audit service that is resourced appropriately, sufficiently and effectively.
  5. Be professionally qualified and suitably experienced.
- 3.2 The CIPFA Statement includes organisational responsibilities and core Head of Internal Audit responsibilities, which identify how an organisation can demonstrate that it fulfils each principle.
  - 3.3 An assessment is to be made on how the Council aligns to these responsibilities, and an action plan produced where any gaps are identified.
  - 3.4 The outcome of this assessment will be provided to the next meeting of the Audit & Governance Committee.

**Caroline Barlow**  
**Deputy Director, Finance and Human Resources**