

<b>26 June 2013</b>		<b>ITEM: 7</b>
<b>Standards &amp; Audit Committee</b>		
<b>Draft Internal Audit Protocol 2013</b>		
Report of: Cllr Philip Smith – Portfolio Holder Central Services		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-key	
<b>Accountable Head of Service:</b> Chris Harris – Head of Internal Audit		
<b>Accountable Director:</b> Martin Hone – Director of Finance & Corporate Governance		
<b>This report is Public</b>		
<b>Purpose of Report:</b> For the Standards & Audit Committee to note the Internal Audit Protocol.		

## **EXECUTIVE SUMMARY**

This report provides the Standards & Audit Committee with information on the Internal Audit Protocol which gives some general guidance on responsibilities of Members, Officers and the Internal Audit team. It also provides detailed guidance on specific issues around the Internal Audit processes, such as turnaround times for reports and the timeliness of management responses.

### **1. RECOMMENDATIONS:**

**1.1 That the Standards & Audit Committee notes the Internal Audit Protocol.**

### **2. INTRODUCTION AND BACKGROUND:**

2.1 The Accounts and Audit (England) Regulations 2011 require that a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.

2.2 The Internal Audit Service carries out the work to satisfy this legislative requirement and part of this is reporting the outcome of its work to the Standards & Audit Committee.

2.3 The Standards & Audit Committee has a responsibility for reviewing the Council's corporate governance arrangements, including internal control and formally approving the Annual Governance Statement. The audit work carried out by the Internal Audit Service is a key source of assurance to the Standards & Audit Committee about the operation of the internal control environment.

The procedures and practices that Internal Audit operates at Thurrock are designed to reflect adherence to these standards.

- 2.4 The Internal Audit Protocol will help to provide the Standards & Audit Committee with a level of assurance around the internal audit reporting process.

**3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:**

- 3.1 The Protocol has been updated and refreshed to enhance the reporting process and assist in providing a more effective internal audit service which will meet the requirements of the Public Sector Internal Auditing Standards.

**4. REASONS FOR RECOMMENDATION:**

- 4.1 To provide the Standards & Audit Committee with assurance that the internal audit service and Council staff are aware of their roles and responsibilities around the timely reporting of, and response to, internal audit recommendations.

**5. CONSULTATION (including Overview and Scrutiny, if applicable)**

- 5.1 The Internal Audit Protocol has been circulated to the Chief Executive, Monitoring Officer, Head of Internal Audit, External Audit and the Section 151 Officer as part of the consultation process.

**6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 6.1 The achievement of corporate priorities is a key consideration of members, senior management and internal audit and the Protocol should assist this by providing a more robust and timely reporting process.

**7. IMPLICATIONS**

7.1 **Financial**

Implications verified by: **Sean Clark**  
Telephone and email: **01375 652010**  
**sclark@thurrock.gov.uk**

As this report is for information, there are no direct financial implications arising from this report.

7.2 **Legal**

Implications verified by: **David Lawson**  
Telephone and email: **01375 652087**  
**david.lawson@bdtlegal.org.uk**

As this report is for information, there are no adverse legal implications arising from this report

7.3 **Diversity and Equality**

Implications verified by: **Samson DeAlyn**  
Telephone and email: **01375 652472**  
**sdealyn@thurrock.gov.uk**

As this report is for information, there are no direct diversity implications arising from this report.

7.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

As this report is for information, there are no other implications arising from this report.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):**

- Public Sector Internal Audit Standards (PSIAS)
- CIPFA – PSIAS Local Government Application Note
- Internal Audit Protocol 2009

**APPENDICES TO THIS REPORT:**

- Draft Internal Audit Protocol

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