

**To: Audit, Risk and Scrutiny Board**

**On: 18 March 2019**

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**Report by: Chief Auditor**

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**Heading: Training for Audit, Risk and Scrutiny Board Members**

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**1. Summary**

- 1.1 In line with national guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the implementation of Audit Committee Principles in Scottish Local Authorities, training on audit and risk related matters is being provided to members of the Audit, Risk and Scrutiny Board.
- 1.2 At the Audit, Scrutiny and Petitions Board meeting on 28 August 2017, it was agreed that a programme of training briefings for members would be provided and would continue to form part of the main agenda at every alternate meeting.
- 1.3 Attached at Appendix 1 is the agreed programme of briefings, and at Appendix 2 the current briefing on “The Role of Internal Audit”.
- 1.4 The current programme of briefings is due to be completed by 18 March, members have an opportunity to shape the content of the future programme of briefings.

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2.           **Recommendations**

2.1           Members are asked to note the content of the current briefing.

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**Implications of the Report**

1.           **Financial** - None

2.           **HR & Organisational Development** - None

3.           **Community Planning –  
Safer and Stronger** – an effective audit committee is an important element of good corporate governance.

4.           **Legal** - None

5.           **Property/Assets** - None

6.           **Information Technology** - None

7.           **Equality & Human Rights** - None

8.           **Health & Safety** – None

9.           **Procurement** - None

10.          **Risk** - training for elected members on audit and risk-related matters reflects audit committee principles

11.          **Privacy Impact** – None

12.          **COSLA Implications** - None

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## Appendix 1

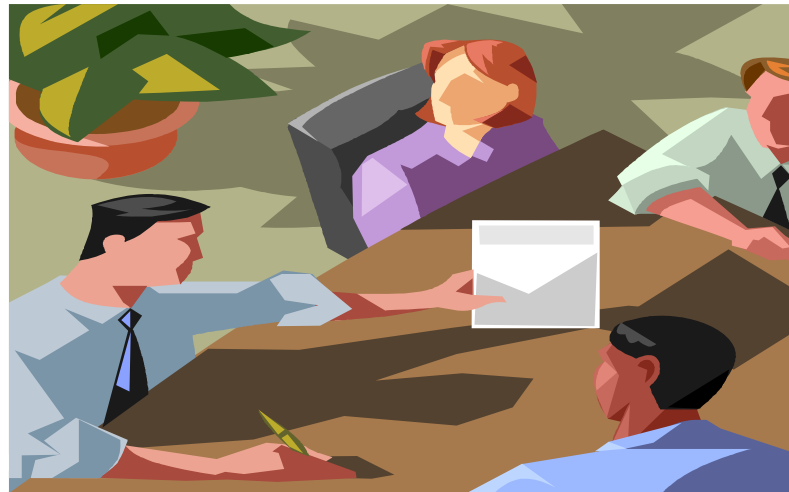
<b>Date</b>	<b>Topic</b>
28 August 2017	The Role of the Audit Committee
6 November 2017	Cyber Security Risk and Control
19 March 2018	The Role of External Audit
27 August 2018	Understanding Financial Statements
5 November 2018	Holding to Account Guidance and National Fraud Initiative
18 March 2019	The Role of Internal Audit



# Training for Scrutiny and Petitions Board Members

## Role of Internal Audit

18 March 2019



# Definition of Internal Audit

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.

# Authority and Responsibility

- The Local Authority Accounts (Scotland) Regulations 2014;
- Public Sector Internal Audit Standards;
- Internal Audit Charter – approved by Board;
- Chief Auditor reports directly to the Audit, Risk and Scrutiny Board.

# Independence

- Public sector internal audit standards – including code of ethics;
- Professional duty to provide an unbiased and objective view;
- Independent from the operations being evaluated;
- Free access to senior officers and the Convenor of the Board;
- Chief Auditor reports directly to the Board.



# Added Value

- Help to achieve organisational objectives;
- Combination of assurance and consulting activities;
- Assurance – Tell management and the Board how well the systems and processes are working.
- Consulting – Help to improve systems and processes where necessary.

# Internal Audit Activity - What

- Critical Friend – challenge current practice, champion best practice and be a catalyst for improvement.
- Assess the management of risk.
- Evaluating risks and controls and advising on improvements.
- Evaluating governance arrangements.

# Internal Audit Activity - How

- Risk based audit plan;
- Evidence based assessment;
- Audit report for management action;
- Regular reporting to the Audit Committee;
- Annual Report which informs the Annual Governance Statement.

# Questions?