

AC36. FALKIRK COUNCIL - REVIEW OF INTERNAL AUDIT 2013/14

The Committee considered the findings of Audit Scotland on the organisation's Code of Practice and the requirement for an external auditor to undertake an annual assessment of the adequacy of the internal audit function.

Internal Audit had from 1 April 2013 been required to adopt the Public Sector Internal Audit Standards (PSIAS) which replaced the 2006 CIPFA Code of Practice for internal Audit in Local Government. A number of areas had been identified where Internal Audit was still working to achieve full compliance with the new standards. This included the production of an internal audit charter and a quality assurance and improvement programme, including external validation arrangements. Audit Scotland was satisfied with assurances that action was being taken to ensure full compliance with PSIAS in future.

The overall conclusion was that the areas of non compliance with the PSIAS did not impact on the range and quality of work carried out by Internal Audit and that the existing quality assurance framework which operated was soundly based.

In terms of Audit Scotland's financial statements, formal reliance would be placed on Internal Audit's work on the General services capital programme and debtors (reviewed in 2012/13) and in terms of the wider dimension responsibilities, this would include welfare reform and strategic projects such as the Tax Incremental Financing Scheme (TIF).

Decision

The Committee noted the Audit Scotland findings.