

CIPFA strategic review of its role in audit

This review was carried out to ensure that CIPFA maintains and develops its influence on internal and external audit across all parts of the public services, both domestically and internationally.

We interviewed around 20 stakeholders and met over 60 Chief Internal Auditors in regional and other meetings. The review is now complete and a report was considered and endorsed by CIPFA's Public Finance Management Board in October.

It is clear that internal audit has a vital role to play in supporting good financial management and corporate governance. CIPFA has a unique place as it is the only body that encompasses the full range of finance, auditing, accounting and governance across public services.

CIPFA is not seen to be focusing enough on internal audit and the issues and challenges that Chief Internal Auditors face. CIPFA could help them and stakeholders such as Audit Committees and senior managers, by raising the profile of internal audit and by providing leadership. CIPFA should also explore the options for working in partnership with other bodies with an interest in internal audit for the benefit of CIPFA members in public services internal audit. This work needs to be supported by a stronger technical internal audit resource within CIPFA itself. Other key findings were as follows:

- The Code of Practice for Internal Audit in Local Government is well regarded and there is scope to help develop and apply standards across all public services
- The audit elements of the CIPFA qualification should be enhanced, with a clearer distinction between the roles of internal and external audit. There may be scope to design a public financial management top up for IIA qualified staff that would also give them a route to the full CIPFA qualification
- CIPFA produces some good publications and courses but they are often seen as out of date and expensive. There is also some confusion about the different offerings that CIPFA has through e.g. Technical Information Service (TIS), the Better Governance Forum (BGF) and the Finance Advisory Network (FAN) and whether this is well co-ordinated. CIPFA's efforts need to be more focused so that Chief Internal Auditors are clear about the roles played by the different parts of CIPFA; this will also help CIPFA makes best use of volunteers
- Communication with internal auditors needs to be improved through better use of regional and other groups and by refreshing 'Viewpoint' and the Audit Panel website
- The Audit Panel has an important role to play in supporting internal auditors. It should review its own strategy and membership in line with the outcomes from CIPFA's wider review of panel governance. The Audit Panel needs to take stock of how it works so that it can have more impact, by identifying the issues of concern and helping to find solutions. Audit Panel members should also be helped to establish systematic links with regional and sectoral auditor groups.

The key recommendations are for CIPFA to:

- Restate its commitment to the importance of internal audit by setting out its strategy for internal audit and its key priorities, including the development of standards and training
- Issue a CIPFA Statement on the role of the Chief Internal Auditor
- Establish how it can best work with partners to deliver its internal audit strategy
- Communicate better with internal auditors and other stakeholders
- Provide better support for internal auditors
- Help the Audit Panel to become more effective by providing more technical manager resource for internal audit, supporting the Audit Panel and practitioners.

We have drawn up an action plan and are beginning work on the 'role of the CIA' Statement.

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