

Statement on the role of the chief internal auditor in public services organisations

The chief internal auditor (CIA) occupies an important position in any organisation, reviewing financial and other controls and providing assurance to management and others. In the public services these responsibilities have an extra edge because public money is at stake.

The CIA role has changed over recent years. As well as providing assurance on key financial and other systems there is an increasing focus on internal audit's role in risk, corporate governance and adding value. CIAs now give annual assurances from their work. With a difficult financial climate and demands for 'more for less' risks are becoming greater and giving this assurance will be increasingly challenging.

Earlier this year CIPFA issued its 'Perceptions of Audit Quality' publication. This showed that there was still some confusion about the role of internal audit and that internal auditors were not always held in high esteem. The survey showed that there was a role for internal audit to help support top management and to review high level corporate issues. But it was not clear whether they had the skills. This resonates with some of the messages emerging from CIPFA's review of its role in internal audit (the results of this review were taken to and endorsed by CIPFA's Public Finance Management Board in October).

HM Treasury is currently carrying out a transformation project that is looking at how internal audit is provided in government departments, agencies and non-departmental public bodies and what changes are needed.

Earlier this year CIPFA issued a Statement on the role of the Chief Financial Officer in public service organisations. This attracted wide interest and debate and was well received.

Against this background CIPFA has decided that it would be timely to issue a Statement on the role of the CIA. This will be principles based and be relevant to all parts of the public services. The aim will be to clarify the role of the CIA and in doing so raise the profile of internal audit. We plan to use the role of the Chief Financial Officer Statement as a model: www.cipfa.org.uk/panels/finance_director/download/Role_CFO.pdf

The work will be carried out through a panel. This will comprise Audit Panel members, senior managers from the public services and other stakeholders.

We aim to draft a Statement for consultation in the New Year and to issue the final Statement at CIPFA's Audit Conference in May 2010.

As a first step we welcome views on the key principles that we should set and the issues that we should cover (e.g. reporting lines and internal audit's role in corporate governance and risk management) and for your views on what the role of the CIA is (and is not).

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