

Our Ref

19 May 2010

Dear colleague

Statement on the role of the Head of Internal Audit in public service organisations: a request for your views

The Head of Internal Audit (HIA) occupies a unique position in any organisation, providing objective assurance and helping the organisation to achieve its objectives.

In uncertain times, the HIA role is more important than ever and more is expected, especially in helping organisations to improve and championing good governance and their advice and help will be sought.

The response to CIPFA's Statement on the role of the Chief Financial Officer has been positive. We believe it is important to issue a similar statement to raise the profile and clarify the role of the HIA. This sets out best practice for HIAs to aspire to and for Audit Committees and others to measure internal audit against. The Statement is also a demonstration of the value that CIPFA places on internal audit and our wish to support HIAs. The attached draft sets out an overarching principles-based framework which is intended to apply to all HIAs in the UK, irrespective of the particular part of the public services in which they work. The Statement draws on the best practice and regulatory requirements in public services, as well as the requirements of CIPFA, other professional accountancy bodies' and the Institute of Internal Auditors' codes of ethics and professional standards.

CIPFA is seeking your views on the Statement before finalising it. We would be interested in your comments on any aspects of the Statement. In particular we would be interested in your views on the questions below:

1. Do the five principles cover the right ground? If not, how might they be amended or augmented?
2. Are there any aspects of the Statement that would reduce its relevance, or prevent it being applied in any areas of the public services? Please explain any potential issues and suggest appropriate alternatives.
3. Do you support CIPFA's proposal that organisations should confirm compliance with the Statement in their annual governance reports?



INVESTOR IN PEOPLE

4. How should CIPFA follow up the Statement to help HIAs, Audit Committees and others make best use of audit resources and maximise the impact that they make?

We are keen that the draft is debated widely and we would be grateful if you could circulate this letter and the draft Statement to other individuals and groups you believe will have an interest.

I would be grateful if you could direct your response by 10 September 2010 to Clive Darracott, Technical Manager at CIPFA, email hia.responses@cipfa.org.uk.

Yours sincerely

A handwritten signature in black ink that reads "Steve Freer." The signature is written in a cursive, flowing style.

Steve Freer
Chief Executive