

Rother District Council

Report to	-	Audit and Standards Committee
Date	-	22 June 2020
Report of the	-	Ex-Chairman, Councillor Kevin Dixon
Subject	-	Impartiality of Internal Audit

Recommendation: It be **RESOLVED:** That:

- 1) the report on the Rother District Council Internal Auditors' impartiality and ability to express their opinions freely be noted; and
 - 2) that the Chairman of the Audit and Standards Committee be required to carry out this impartiality exercise on an annual basis.
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Introduction

1. The Chairman of Audit and Standards Committee attended the Local Audit Quality Forum in June 2019.
2. Attention was drawn to a Chartered Institute of Public Finance and Accountancy Ethics Survey in 2018, where 57% of respondents of their members and public sector accountants said they had been put under pressure or felt under pressure to act in a professionally unethical way.
3. It was recommended at the Forum that Chairmen of Audit Committees should have individual and confidential conversations with their Internal Audit teams to verify their impartiality, and their ability to express their Audit opinions freely, and without influence by others.
4. It was also recommended that Internal Audit had free and open access to the Committee and its Chairman.
5. I can confirm that I have had conversations with all three members of the Internal Audit Department, and they have confirmed to me their impartiality and ability to express audit opinions freely.
6. I can also confirm that the Head of Audit has free and open access to me as Chairman, and we have had conversations outside the committee setting throughout the year.

Conclusion

7. I would recommend to the Committee that the Chairman of Audit and Standards is required to complete this exercise every year as best practice, and to re-confirm the true independent nature of Rother District Council's Internal Audit Department.

Councillor Kevin Dixon
Ex-Chairman, Audit and Standards Committee

Risk Assessment Statement

Failure to consider the impartiality of the Council's Internal Audit Department could result in the Council's Audit Processes being ambiguous and open to challenge.