

**APPROACH TO BENCHMARKING INTERNAL AUDIT**

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**1 INTRODUCTION**

1.1 This report outlines the proposed approach to benchmarking of internal audit

**2 RECOMMENDATIONS**

2.1 The Audit Committee note the proposed approach to benchmarking

**3 DETAIL**

3.1 At the Audit Committee a report outlining the approach to benchmarking of internal audit was requested

3.2 The Council is a member of the Institute of Public Finance (IPF) benchmarking club for internal audit. In addition to providing comparative information on a range of cost and time measures a scrap book of qualitative information is provided. The IPF benchmarking club information is currently being collated and reports from the club will be issued over the next few months. Once the report is received the position of our own Internal Audit Section will be reviewed. A report on areas for improvement and proposed action will be brought to the next available Audit Committee.

3.3 The Director of Finance Section of the Chartered Institute of Public Finance and Accountancy (CIPFA) in Scotland also collates performance indicator information on financial services. It is anticipated this information will be collated in the autumn with a report available possibly in October. Again our position will be reviewed against a number of other Councils and areas for investigation and improvement identified. Areas for improvement and improvement proposals will be reported to the next available Audit Committee.

3.4 Arising from review of both IPF and Directors of Finance benchmarking information contact will be made with other Councils to establish the extent of any existing benchmarking networks in Scotland that would allow more detailed consideration of performance. Where such a network exists we will seek to join the network. If no such network exists or membership is not possible further consideration will be given on how to progress this.

- 3.5 It should be noted that during this initial year of the partnership the key areas are improving the audit function by achieving compliance with the code on audit practice, addressing external audit recommendations and training and development. Whilst benchmarking is an important tool it should not detract from these key objectives of the partnership.

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