



# HM TREASURY

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Heads of Internal Audit

25<sup>th</sup> July 2005

**HIA 05/05**

*Dear HIA*

**Research for ACR projects: revision of the Audit Committee Handbook and development of good practice guidance on Audit Records Management**

Last week we circulated our proposed work plan for 2005/6, with a request for comments by 5<sup>th</sup> August. You may have noticed that some of the work streams in the plan have very tight timetables and rely on the research phase of the plan being started in July.

2. Accordingly I am enclosing two questionnaires. We have kept them as simple as possible and expect that HIAs should be in a position to complete them easily. I apologise for giving you more work to do, but the questionnaires are vital if we are to be properly equipped here in the centre with appropriate background information to help us give proper thought to the way we go forward with redeveloping the Audit Committee Handbook and developing guidance on Audit Records Management. I would be grateful if you would complete the questionnaires and return them to my colleague Karen Parsons by Friday 19<sup>th</sup> August (if necessary, please complete separate copies for sponsored bodies to which you also provide an audit service).

**Audit Committee Handbook**

3. Good practice for the constitution and working practices of Audit Committees is constantly developing in all economic sectors. The current Audit Committee Handbook has been instrumental in driving forward the effectiveness of central government Audit Committees, but in the context of the provisions of the draft Code of Good Practice for Corporate Governance in Central Government Departments (which we expect to be formally published



very soon) and in comparison with good practice in other economic sectors, some of its provisions are now potentially dated and out of line with both good practice and the support and guidance that Audit Committees actually need.

4. The information we are asking for in respect of Audit Committees has been designed to allow us to make direct comparisons with data available from other economic sectors and to identify the appropriateness of various potential revisions. It is important that we have a good response rate to this questionnaire so that you can be assured that the redevelopment of the Handbook will be aligned as well as possible to the needs of your Audit Committees and organisations.

### **Audit Records Management**

5. This project arises from a growing awareness of a very wide variation in practice across government, particularly in the context of how Freedom of Information (Fol) provisions are impacting on audit records management. We think it necessary to research this variety of practice in more depth, particularly to identify whether or not there are any generally agreed boundaries to the scope of what would be deemed “good practice” in this area.

6. The objective of the project is to gain a deeper understanding of the range of records management practices which are being applied by Internal Audit units, together with the reasoning which lies behind them, and to then prepare a Good Practice Guide which sets out a range of records management approaches which are compatible with both professional good practice and the demands of Fol. The enclosed questionnaire is intended to help us identify a range of audit units with which we can engage in further research.

### **Queries**

7. I and my colleague Karen Parsons will both be happy to answer any queries you may have about either completion of the questionnaires or about our wider approach to these projects.

Yours sincerely

*Gordon AJ Adam*

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