

Agenda Item 7e

EFFECTIVENESS OF INTERNAL AUDIT BARROWFORD PARISH COUNCIL 2016 – 2017

EXPECTED STANDARD	EVIDENCE OF ACHIEVEMENT	COMMENTS
Scope of Internal Audit	<p>Terms of reference were approved by Council</p> <p>Scope of audit work is defined and takes into account risk management processes and wider internal control</p> <p>Terms of reference define audit responsibilities in relation to fraud</p>	<p>Terms of reference approved</p> <p>Suggested Testing Methodology document approved.</p> <p>Included in terms of reference approved as above</p>
Independence of Internal Audit	<p>Internal Auditor has direct access to those charged with governance</p> <p>Reports are made in own name to Council</p> <p>Auditor does not have any other role within the Council</p>	<p>Internal auditor has direct access to RFO and any member of Council as required.</p> <p>Suggested testing methodology document requires full report direct from Internal Auditor who has no other connection to Council</p>
Competence of Internal Audit	<p>No evidence that the internal audit work has not been carried out ethically with integrity and objectivity</p>	<p>Internal Auditor has undertaken task for a number of years and has received up to date Practitioners Guide prior to undertaking the audit. Past audits have been 'clean'.</p>
Relationships	<p>Responsible officer is consulted on the internal audit plan and on the scope of each audit</p> <p>Responsibility of officer and internal audit are defined in relation to internal control risk management and finances generally</p> <p>The responsibilities of members are understood and training carried out where appropriate.</p>	<p>RFO has considered requirements in line with Practitioners Guide 2008</p> <p>Risk management document sets out responsibilities for Councillors and Clerk and Internal audit is covered by terms of reference and Suggested Testing Methodology</p> <p>Councillors are aware that they are responsible for the financial controls of the Council and financial training has been offered in the past 12 months</p>
Audit Planning and Reporting	<p>The audit plan takes account of risk and is designed to meet the Council's governance assurance needs.</p> <p>The audit plan has been approved by the Council</p> <p>The internal auditor has reported in accordance with the plan</p> <p>Follow up action and recommendations of internal audit are fully considered by Council.</p>	<p>Approval of suggested testing Methodology covers this area and the audit plan approved.</p> <p>The Internal Auditor will report in accordance with the plan and the Council will consider his report. No follow up actions have been required in the past.</p>

Agenda Item 7e**EFFECTIVENESS OF INTERNAL CONTROL BARROWFORD PARISH COUNCIL 2016 – 2017**

EXPECTED STANDARD	EVIDENCE OF ACHIEVEMENT	COMMENTS
Standing Orders & Financial Regulations	Standing Orders and Financial Regulations are in place and reviewed on a regular basis. (minimum 4 year cycle)	These need to be reviewed during 2017-18 and approved within the last 4 years.
Insurance Cover	The Council maintain adequate insurance cover which is reviewed annually.	Insurance cover is reviewed and approved annually by Council upon receipt of renewal papers and by RFO when any changes take place.
Risk Assessment Register	The Council maintain a risk assessment register which is reviewed annually	Approved by Council at the meeting Held 16 th March 2016: Minute No. 183:g
Asset Register	The Council maintain an Asset register which is reviewed and updated annually	Approved by Council at the meeting Held 16 th March 2016: Minute No. 183:e
Bank Accounts	2 members are required to sign cheques in accordance with lawful procedures, the Cheques are also countersigned by the RFO and all payments are listed at each meeting for approval Relative invoices are exhibited and checked when cheques are signed.	Bank Mandate conforms to requirements and payments are listed at each meeting for approval Councillors are aware of responsibility in this area
Budget and Financial Statement	The budget is prepared on an annual basis and agreed by Council. Monthly Financial Statements which include budget comparison are presented to Council for approval Explanations for significant variances are provided by the RFO as required.	Budget approved at the Council Meeting Held meeting. 20 th January 2016 Minute 156 Minutes confirm requirements on a quarterly basis RFO reports are produced in line with requirements when Statements produced.