

BARBY & ONLEY PARISH COUNCIL

Review of effectiveness of Internal Audit – Carried out 2nd May 2019 for Year Ending 31 March 2019

Internal Auditor – John Marshall Appointed from Northants ALC Internal Auditing Team

1. Meeting the Standards.

Expected Standard	Evidence of Achievement	Areas for Development
1. Scope of Internal Audit	Terms of reference were (re)approved by full council on 08.04.19 Page 2019/20/03 No 9.5 Scope of audit work takes into account risk management processes and wider internal control. Terms of reference define audit responsibilities in relation to fraud	
2. Independence	Internal Auditor has direct access to those charged with governance (see Financial Regulations). Reports are made in own name to management. Auditor does not have any other role within the Council.	
3. Competence	No evidence that internal audit work has not been carried out ethically, with integrity and objectivity.	
4. Relationships	Responsible officers (Clerk/RFO) are consulted on the internal audit plan and on the scope of each audit. (Evidence is on audit files). Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters. The responsibilities of board/council members are understood; training of members is carried out as necessary. (See Member training plan).	
5. Audit Planning and Reporting	The Audit Plan properly takes account of corporate risk. The plan has been approved by the council on 08.04.19 Internal Audit has reported in accordance with the plan on 08.04.19	

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2.Characteristics of Effectiveness.

Characteristics of "Effectiveness"	Evidence of Achievement	Areas for Development
Internal Audit work is planned	Planned Internal audit work is based on risk assessment and designed to meet the body's governance assurance needs.	
Understanding the whole organisations its needs and objectives	The annual audit plan demonstrates how audit work will provide assurance in relation to the body's annual governance statement.	
Be seen as a catalyst for change	Supportive role of audit for corporate developments such as corporate governance review, risk management and ethics.	
Add value and assist the organisation in achieving its objectives.	Demonstrated through positive management responses to recommendations and follow up action where called for.	
Be forward looking	When identifying risks and in formulating the annual audit plan, changes on national agenda are considered. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.	
Be challenging	Internal audit focuses on risks and encourages members to develop their own responses to risks, rather than relying solely on audit recommendations. The aim of this is to encourage greater ownership of the control environment.	
Ensure the right resources are available.	Adequate resource is made available for internal audit to complete its work. Internal auditor understands the body and the legal and corporate framework in which it operates.	

Reviewed byCouncillor Paul Reynolds.....and adopted by Barby & Onley Parish Council on:___13th January_____2020

Note: Review of effectiveness of internal audit must be reviewed and adopted by council/meeting/board/body annually during the financial year and before 31 March.