

Review of effectiveness of internal audit

April 2019 Adopted 8th April 2019 minute ref 19/056/FPC

Review Date February 2020

Meeting the standards Expected Standard	Evidence of Achievement	Areas for development
1. Scope of internal audit	Scope of audit work takes into account risk management processes and wider internal control. Terms of reference and financial regulations define responsibilities in relation to preventing fraud. NMPC has appointed Phillip Roden @ Etaerio for audit Minute ref 1519.	
2. Independence	Internal Auditor has direct access to RFO. Reports are made in own name to management. Auditor does not have any other role within the council.	
3. Competence	No evidence that internal work has not been carried out ethically, with integrity and objectivity. Internal auditor familiar with governance processes and accounting regulations for parish councils Qualification: ICAEW	
4. Relationships	Clerk/RFO and councillors are consulted on the internal audit plan and on the scope of each audit. Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters. The responsibilities of council members are understood and training carried out as necessary.	Councillors should ensure relevant training is current.
5. Audit Planning and reporting	The audit is a feature of a wider plan with regards to internal control. Policy and procedural reviews and Monthly reports and strong internal control procedures embed this approach within NMPC.	An annual audit plan is required. With a new Clerk/ RFO in place a rolling programme of policy, procedural and risk assessment reviews is being undertaken to ensure that the policies and procedures adopted are compliant and current.
Characteristics of Effectiveness		
Internal audit work is planned	Planned internal audit work is based on risk assessment and designed to meet the body's governance assurance needs.	

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Understanding the whole organisation its needs and objectives	The annual review 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 internal control 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 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 and adopted on 8/4/2019

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