

<u>POLICY AND PROCEDURE:</u>	To evaluate the effectiveness of the system of internal audit
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PURPOSE: Melbourn Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and used effectively. In doing this, the Council is responsible for ensuring that there is a sound system of internal control and that the systems are regularly examined by an independent Internal Auditor.

CRITERIA FOR EFFECTIVE INTERNAL CONTROL

	Achieved
The Parish Council has adopted Terms of Reference for the Internal Audit which are reviewed every 3 years.	Confirmed. To be reviewed in on 28/2/22
The Internal Audit is timed to comply with the Annual Return timescales.	Internal Audit is carried out after year end. IA does not inspect year end accounts prior to Annual Return being finalised
Full rights of access are given to the auditor regarding records and documentation.	Confirmed
The Internal Auditor is independent and makes a report to the Parish Council.	Confirmed
The report is reviewed by the next Parish Council meeting and any necessary actions resolved.	Confirmed
The Internal Auditor will follow up any actions required by review in subsequent audits.	Confirmed

ANNUAL REVIEW OF EFFECTIVENESS

Question: Did the Internal Auditor meet the Council's Expectations (as set out in the Terms of Reference)?

Standards	Evidence of Achievement	Comments
Scope of internal examination	ToRs were approved by Council Scope of audit work takes into account risk management processes and wider internal control ToRs define audit responsibilities in relation to fraud	To be reviewed by F&GG March 2022. Then recommended to full Council. Confirmed Confirmed
Competence	No evidence that internal audit work has not been carried out ethically, with integrity and objectivity	Confirmed

Relationships	Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters	Confirmed
	The responsibilities of Council members are understood; training of members is undertaken as necessary	Confirmed – appropriate training provided as necessary

Question: Was the internal audit effective?

Characteristics of 'effectiveness'	Evidence of Achievement	Areas for Development
Internal audit work is planned	The IA is experienced and has a defined plan	Confirmed
Understanding the whole organisation, its needs and objectives	The audit plan demonstrates how audit work will provide assurance in relation to the body's annual governance statement	Confirmed – covered by Internal Auditor's year end audit
Be seen as a catalyst for change	Auditor makes comments following the visit that are reported to Council and acted upon	Confirmed
Add value and assist the organisation in achieving its objectives	Demonstrated through positive management responses to recommendations for action	Confirmed
Be forward looking	When identifying risks and in formulating the annual audit plan, changes on the national agenda are considered. IA maintains awareness of new developments in services, risk management and corporate governance	Confirmed Confirmed by IA following last review.
Be challenging	IA focuses on risks and encourages members to develop their own responses	Confirmed
Ensure the right responses are available	Adequate resource is made available for audit. The IA understands the body and the legal and corporate framework in which it operates	Confirmed Confirmed – evidenced by Internal Auditor's follow up report.

Question: Was the appointed Internal Auditor independent?

Independence	IA has direct access to those charged with governance	Confirmed
	Reports are made in own name to full Council	Confirmed
	Auditor does not have any other role within the Council.	Confirmed
	Auditor lives outside the area.	Confirmed
	Auditor is not related or connected to councillors or officers of the Council	Confirmed

Question: Has the guidance received from the auditor been considered and incorporated into Council practice?

Internal auditor report	Has the auditor reported in writing? Has the internal auditor report been considered by the full Council?	Yes Yes – Parish Council meeting 17/1/2022 (PC135/21a))
Guidance	Did the IA make recommendations for improvements in Council practice? Have the recommendations been considered and incorporated into the Council's internal controls?	Report noted good practice. However, any recommendations received would be acted upon. Previous recommendations have been acted on. If required. Previous recommendations have been acted on.

Review carried out by: Cllr Clark (MPC Chair), Cllr Cowley (F&GG chair), Claire Littlewood (Parish Clerk), Gabby van Poortvliet (RFO)

Date of review: 9 February 2022

Date reported to MPC: 28 February 2022



Document Approval:

(Chair to Melbourn Parish Council)

Date of Parish Council meeting: 28 February 2022

Review Policy: Every 12 months