MELBOURN PARISH COUNCIL

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POLICY AND PROCEDURE: To evaluate the effectiveness of the system of internal audit

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.	✓
The Internal Audit is timed to comply with the Annual Return timescales.	✓
Full rights of access are given to the auditor regarding records and documentation.	✓
The Internal Auditor is independent and makes a report to the Parish Council.	✓
The report is reviewed by the next Parish Council meeting and any necessary actions resolved.	✓
The Internal Auditor will follow up any actions required by review in subsequent audits.	✓

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 (April 2026). Scope of audit work takes into account risk management processes and wider internal control. ToRs define audit responsibilities in relation to fraud.	✓
Competence	No evidence that internal audit work has not been carried out ethically, with integrity and objectivity.	✓

Relationships	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; training of members is undertaken 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.	✓
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.	✓
Be seen as a catalyst for change	Auditor makes comments following the visit that are reported to Council and acted upon.	✓
Add value and assist the organisation in achieving its objectives	Demonstrated through positive management responses to recommendations for action.	IA approved AGAR as agreed but EA disagreed over assertion 1 approval – noted for future action.
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.	✓ Digital AGAR incoming – MPC signed up for access and will undertake training.
Be challenging	IA focuses on risks and encourages members to develop their own responses.	✓
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.	✓

Question: Was the appointed Internal Auditor independent?

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

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?	✓
Guidance	Did the IA make recommendations for improvements in Council practice? Have the recommendations been considered and incorporated into the Council's internal controls?	✓ New agenda process for budget and precept approval noted going forward.

Completed: 20 October 2026, Abigail Williams & Shelley Coulman

Document Approval:

(Chair to Melbourn Parish Council)

Date of Parish Council meeting: 26 June 2023
Review Policy: *Every 3 years*