

Eversley Parish Council
Review of Internal Audit
Approved 2nd March 2021

Under the Accounts and Audit Regulations local councils are required at least once a year to review the effectiveness of internal audit. The council is required to sign the annual governance statement (part 2 of the annual return) to evidence that this review has been undertaken.

Meeting the Standards

Expected Standard	Evidence of Achievement	Areas of Development
<p>1. Scope of Internal Audit</p>	<p>Internal auditor appointed in 2020</p> <p>Scope of work was agreed in the letter of engagement of the internal auditor and follows the approach laid out in:</p> <ul style="list-style-type: none"> • the "Governance and Accountability for Local Councils – a Practitioner's guide 2010" • The Accounts and Audit regulations 2011 • Such other guidance and best practice that may be prevailing <p>Policy documents exist for risk & internal controls</p>	<p>Review annually</p> <p>Reviewed and approved annually</p>
<p>2. Independence</p>	<p>The auditor does not live in the parish area and is not related to nor associated with any member of the council or employee.</p> <p>They are not involved with any of the council's decisions, procedures or financial controls.</p> <p>The internal auditor has direct access to the council should they think it necessary.</p> <p>They report to the Parish Council</p>	
<p>3. Competence</p>	<p>During the appointment process members agreed that the Internal Auditor carries out his work ethically, objectively and with integrity. References were sought before appointment. They are a qualified accountant with a wide range of experience latterly in this sector.</p>	

<p>4. Relationships</p>	<p>The Clerk is consulted on the audit plan and given a checklist of what is required. Responsibilities of officers and the auditor are defined in job description, various policies and the engagement letter. Responsibilities of council members are understood</p>	
<p>5. Audit Planning & reporting</p>	<p>The dates and plan for the annual internal audit are agreed between the clerk/RFO and the auditor. These are reported to the council. The internal auditor will prepare a full report following the annual audit. This will be presented to the council for review and appropriate action.</p>	<p>Financial awareness training as required</p>

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Characteristics of Effectiveness

Characteristics	Evidence of Achievement	Areas of Development
6. Internal Audit work is planned	Audit work is based upon risk assessment and designed to meet the council's needs. This is evidenced in the engagement letter. Council annually review its risk assessment statement	
7. Understanding the whole organisation its needs and objectives	The audit is carried out in line with best practice so to provide assurance for the Annual Governance Statement. The council has a copy of 'Governance and Accountability for Local Councils – a Practitioner's Guide'	
8. Be seen as catalyst for change and add value	Internal audit supports the council's work in delivering improved services to the community. Audit recommendations are acted upon to improve the working of the council.	Continue to review and monitor Auditor's reports and actions taken
9. Be forward looking	In formulating the plan with the auditor, changes in working practice guidelines or legislation are considered.	Staff training as required
10. Be challenging	Audit reports to parish council with recommendations but not answers to encourage the council to formulate its own response to risk and control	
11. Ensure the right resources are available	The auditor gives prior notice of requirements. All files and documents are made available in advance of visit.	