

**Qundle Town Council – Effectiveness of Internal Audit Review**

<b>Expected Standard</b>	<b>Evidence of Achievement</b>	<b>Yes or No</b>	<b>Areas for development</b>
1. Scope of internal audit	Internal audit work takes into account both the council's risk assessment and wider internal control arrangements. Internal audit work covers the council's anti-fraud and corruption arrangements.	Yes  Internal auditors checklist covers this detail.	Review annually
2. Independence	Internal audit has direct access to those charged with governance (see Financial Regulations). Reports are made in own name to management. Internal audit does not have any other role within the council/board.	Yes  Independent NCALC service The Annual report was made by letter to the Mayor.	A Member of Finance and General Purposes Committee to meet Internal Auditor personally on at least one of the annual visits.
3. Competence	There is no evidence of a failure to carry out internal audit work ethically, with integrity and objectivity.	Yes  NCALC internal audit report is presented to Full Council. Any concerns are addressed. At the Annual meeting of the Council two Councillors are elected as the Verification Council for their role is to check bank statements, invoices and list of payments prior to the Full Council meeting.	NCALC may change internal auditor after a few years to maintain objectivity.
4. Relationships	All responsible officers (Clerk and RFO) are consulted on the internal audit plan. Respective responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters (job descriptions and engagement letter). The responsibilities of council members are understood; training of members is carried out as necessary.	Yes	Clerk to check job descriptions and policy documents. Report any inadequacies to Finance and General Purposes Committee. Copies to be sent to outsourced Personnel Company. Encourage Councillors to attend NCALC training.

5 Audit Planning and reporting	The annual internal audit plan properly takes account of all the risks facing the council and has been approved by the council Internal audit has reported in accordance with the plan.	Yes	Risk management will be reviewed annually
Internal audit work is planned	Planned internal audit work is based on risk assessment and designed to meet the council's governance assurance needs.	Yes	
Understanding the whole organisation its needs and objectives	The annual audit plan demonstrates how audit work will provide assurance for the council's Annual Governance Statement.	Yes	
Be seen as a catalyst for change	Internal audit supports the council's work in delivering improved services to the community	Quality assurance	
Add value and assist Council in achieving its objectives	The council makes positive responses to internal audit's recommendations and follows up with action where this is called for.	Yes	
Be forward looking	In formulating the annual audit plan, national agenda changes are considered. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.	Yes	
Be challenging	Internal audit focuses on the risks facing the council. Internal audit encourages managers/members to develop their own responses to risks, rather than relying solely on audit recommendations, to encourage greater ownership of the control environment	Yes	
Ensure the right resources are available	Adequate resource is made available for internal audit to complete its work.	Yes	

	<b>Internal audit understands the council and the legal and corporate framework in which it operates.</b>		
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