

**ADDERBURY PARISH COUNCIL**  
**Review of Effectiveness of Internal Audit 2018/2019**

<b>EXPECTED STANDARD</b>	<b>EVIDENCE OF ACHIEVEMENT</b>	<b>HAS THIS STANDARD BEEN MET?</b>
1. Scope of internal audit	The scope of audit work includes reference to the risk management processes and internal controls. Terms of reference are set out in the letter of appointment of the internal auditor.	<b>Yes</b>
2. Independence	The Internal Auditor has direct access to the RFO and if necessary to the Chairman. The annual audit report was made by letter addressed directly to Adderbury Parish Council and signed personally by the auditor. The auditor does not have any other role in relation to Adderbury Parish Council.	<b>Yes</b>
3. Competence	<p>The report received and comments from the internal audit inspection were seen by Parish Council. The internal audit report was discussed by the full Council at the meeting on Tuesday 26 February 2019.</p> <p>The Cashbook and the most recent bank statement are available at each Parish Council meeting for inspection and checking, if requested.</p> <p>There is no evidence that internal audit work has not been carried out ethically.</p>	<b>Yes</b>

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4. Relationships	<p>Responsibilities are defined in the job description for the Clerk and RFO and responsibilities for Councillors are stated under risk management.</p> <p>The Clerk and RFO have access via the website to the Governance and Accountability Guide.</p>	<b>Yes</b>
5. Audit Planning and Reporting	<p>The Annual Return was signed on 2 January 2019 by the Internal Auditor.</p> <p>The letter of engagement for 2019/2020 would be approved at a later date.</p>	<b>Yes</b>
6. Internal audit work	<p>Financial statements and bank reconciliations are produced by the RFO for inspection at all Parish Council meetings.</p> <p>An analysis of income and expenditure for setting the Precept was produced for review by the PC in January 2019.</p> <p>Cheque stubs are initialled by Councillors as well as signing the cheques.</p> <p>Invoices are available for inspection upon request.</p>	<b>Yes</b>

EXPECTED STANDARD	EVIDENCE OF ACHIEVEMENT	HAS THIS STANDARD BEEN MET?
7. Understanding the organisation, needs and objectives	<p>The annual audit plan shows how audit work will provide assurance in relation to the PC's annual governance statement.</p> <p>Accounts are held on the computer and are backed up regularly.</p>	<b>Yes</b>
8. Being seen as a catalyst for change	<p>Obtaining new quotes for large projects has resulted in good value for the Parish Council and rules around this are specified in the PC's Financial Regulations. However, experience also pointed to the need for balancing loyalty and good relationships locally with financial considerations on smaller jobs.</p>	<b>Yes</b>
9. Be forward looking	<p>When identifying risks and updating reviews, changes advised by national bodies are incorporated.</p>	<b>Yes</b>
10. Be challenging	<p>In drawing attention to risks and to new possibilities, the PC responds in ways that are appropriate and proportional to the size and budget of a small Parish Council.</p>	<b>Yes</b>

<b>EXPECTED STANDARD</b>	<b>EVIDENCE OF ACHIEVEMENT</b>	<b>HAS THIS STANDARD BEEN MET?</b>
11. Ensure the right resources are available	Finance for internal audit is included under 'administration' when setting the Precept. The internal auditor has worked for the Audit Commission and fully understands the Parish Council and the legal and corporate framework in which it operates.  Access to all the latest Guidelines is available via the appropriate websites.	<b>Yes</b>

Signed:

Responsible Officer

Date:

Signed:

Chair

Date:

Reviewed on 28 May 2019