

Appendix 1

BRANCEPETH PARISH COUNCIL – REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT – 21st MARCH 2011

1. Meeting the Standards

Expected Standard	Evidence of Achievement	Areas of Development
1.Scope of Internal Audit	<p>Appointment of Internal Audit agreed</p> <p>Introduce Policy documents</p>	<p>Terms of Reference</p> <p>Reviewed on an Annual basis</p>
2. Independence	<p>The Internal Auditor does not live in the Parish Area and holds no other role within the Council</p> <p>Standing Orders are reviewed annually</p> <p>Financial regulations are reviewed annually</p> <p>Internal Auditor reports to the Parish Council meeting.</p>	<p>Continue with annual report to the Parish Council</p>
3. Competence	<p>Members have agreed that the Internal Auditor carries out his work ethically, with integrity and objectively.</p>	
4. Relationships	<p>The Clerk/RFO meets with the Internal Auditor to agree dates to review files, reports etc.</p> <p>Responsibilities of Officers and Internal Auditor are defined in various Policies.</p> <p>Responsibilities of Council members are understood by Financial awareness training.</p>	<p>Develop written procedures</p> <p>Responsibilities to be included in the terms of reference</p> <p>Develop Members Training plan</p> <p>Financial Awareness Training Requirements</p>
5. Audit Planning and reporting	<p>Dates for Internal Audit is agreed between the Clerk/RFO and Internal Auditor (informal)</p>	<p>Develop Audit Plan (To include Dates of Internal Audits).</p> <p>Council to approve Audit Plan</p> <p>Internal Auditors report to be included in reported Audit Plan</p>

Appendix 2

2. Characteristics of Effectiveness

Characteristics of Effectiveness	Evidence of Achievement	Areas of development
6. Internal Audit work is planned	Council annually produce a risk assessment statement Council agrees an annual budget statement Council maintains an asset register Annual Return published on Council's Web Site	Develop Annual Audit Plan
7. Understanding the whole Organisation its needs and objectives	The Council has a copy of "Governance and Accountability for Local Councils – a Practitioners Guide (2008)"	Develop Annual Audit Plan
8. Be seen as a catalyst for change	Council approves:- Risk Assessment Statement (Annually) Review of Insurance Cover (Annually) Regular Financial Statements Income/Expenditure Budgets	
9. Add value and assist the organisation in achieving its objectives	Audit reports to appropriate Parish Council Meetings including any Recommendations to be noted or implemented.	Continue to receive and monitor Auditors Reports
10. Be forward looking	Clerk RFO Meetings with Internal Auditor (informal)	Develop Annual Audit Plan
11. Be Challenging	Audit Reports to Parish Council Meetings The parish Council has introduced a number of Policies	Develop Annual Audit Plan
12. Ensure the Right Resources are available	Resources made available to Internal Audit:- Minutes Policies Receipts/payments book, Cheques counterfoils, Voucher file (invoices) Financial Regulations, Standing Orders Financial Files	Develop Annual Audit Files to include all documents.