**WATCHFIELD PARISH COUNCIL**

**Review of effectiveness of Internal Audit – 2016/17**

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| **Expected Standard** | **Evidence of Achievement** | **Areas for Development** |
| **Scope of Internal Audit** | The review was discussed at a full **Council Meeting on 18.07.17 Item 76g** The scope of Audit work includes reference to risk management processes and wider internal controls. Terms of reference are set out in the letter of appointment of the internal auditor – the renewal of the appointment of internal auditor to be agreed at **Council Meeting in October 2017** as per audit plan | Revise the outline of the review in the light of new guidelines |
| **Independence** | The Internal Auditor has direct access to the Clerk, RFO and the Chairman if necessary.  The Annual Report was made by email and addressed directly to Watchfield Parish Council and signed personally by the Auditor. The Auditor holds no other role in relation to Watchfield Parish Council. |  |
| **Competence** | The Internal Audit report was discussed at the **Council Meeting – 18.07.17 Item 76g** – the recommendations were: Staff costs within accounting statement reconcile to the annual return; use a recommended financial statement template | Separate directly employed and self-employed staff costs.  Template forwarded by IA to RFO |
| **Relationships** | Responsibilities are defined in the job descriptions for the Clerk & RFO, training is carried out as necessary. With the appointment of the new Clerk & RFO close working relationships and good communication were viewed as essential. |  |
| **Audit Planning & Reporting** | The Internal Audit was discussedat **Council Meeting on 18.07.17 Item 76g** |  |
| **Internal Audit work is planned** | Planned Internal Audit work is proportional to the level of risk assessed relating to a single member of staff and a small annual budget. It is designed to meet the PC’s governance and assurance needs.  Risk Assessment was reviewed **17.01.17 Item 199f**  The audit plan was reviewed **17.01.17 Item 199h and updated quarterly**  Partial Audit can be started before the end of the financial year thus reducing the workload at this time. | Audit plan to be updated & rearranged as needed – the document to be viewed in tandem with this review |
| **Financial transparency** | Financial statements and bank reconciliations were produced by the RFO for inspection at full Council meetings  An analysis of Income & Expenditure against Budget - quarterly for review - updated annual version was presented **18.04.17 Item 261g** | The regular review of the budget, bank reconciliations, and financial statements has been detailed in the Audit Plan |
| **Being seen as a catalyst for change** | Council remains in contact with Vale regarding S106 monies for new developments |  |
| **Ensure the right resources are available** | Finance for Internal Audit is included when setting the precept. The Internal Auditor is fully competent and has experience of the legal and corporate framework within which the Parish Council operates. Access to up-to-date guidelines is available from appropriate websites. |  |