

ALL SAINTS PARISH COUNCIL – Annual Review of Internal Financial Controls | 2021

Characteristics of ‘effectiveness’	Evidence of Achievement	Areas for development
1. Scope of internal audit	Scope of audit work takes into account risk management processes and wider internal control Risk Assessment defines audit responsibilities in relation to fraud	Audit incorporates all aspects on internal controls as required by legislation.
2. Independence	Internal Auditor has direct access to all records. Reports are made in own name to management. Auditor does not have any other role within the Council	Replacement IA appointed during 2019 but resigned November 2020 due to work commitments. Council considered replacement in December 2020.
3. Competence	No evidence that internal audit work has not been carried out ethically, with integrity and objectivity.	December 2020: Beth Webb is a qualified Chartered accountant and former Councillor with extensive knowledge of our sector and extant legislation. Replaced Steve Warwick who resigned as above in 2020. October 2019: Steven Warwick is wholly independent of Council and has financial competency and understanding of local government legislation as ex-Councillor. Replaced Chris Tipping who tendered his resignation in March 2019.
4. Relationships	Responsible Financial Officer consulted on the internal audit and on the scope of each audit. (Evidence is on audit files). Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters. The responsibilities of council members are understood; training of members is carried out as necessary.	Changes in legislation ie. Transparency Code negate the need for external audit post-2017/18 but internal controls and auditing still required. RFO to ensure that council is fully compliant with all elements and requirements of new code. Council is fully compliant with Transparency Code. Level of income and expenditure for 2019-20 will likely prevent Council from seeking AGAR exemption and a full AGAR3 submission will be required.

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5. Audit Planning and reporting	The Audit takes account of corporate risk. The details of the internal audit will be approved by the council as report received. Internal Audit has reported in accordance with the objectives and responsibilities of the Council	Next full review scheduled for April 2021
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<p>6. Internal audit work is planned</p>	<p>Planned Internal audit work is based on risk assessment and designed to meet the Council’s needs</p>	<p>Last Internal audit completed July 2020 (delayed due to Covid19 restrictions). Next “full” Internal audit will be completed after close-down of this year’s financial accounts after 31st March 2021.</p>
<p>7. Understanding the whole organisation its needs and objectives</p>	<p>The annual audit demonstrates how audit work will provide assurance in relation to the Councils responsibilities</p>	<p>Council understands requirement and need for Internal Auditing and the benefits and assurances it provides to Council and public alike.</p>
<p>8. Be seen as a catalyst for change</p>	<p>Supportive role of audit for developments such as risk management and ethics.</p>	<p>Clerk (as Yarty Ward member for EDDC) also undertakes independent audit training in his role as a member of the Higher Authority Audit and Governance Committee (via LGA & External Audit regime). Training available for members.</p>
<p>9. Add value and assist the organisation in achieving its objectives</p>	<p>Demonstrated through positive management responses to recommendations and follow up action where called for.</p>	<p>All members receive copies of financial reports and IFCR documents and these are also published online as per Transparency Code.</p>
<p>10. Be forward looking and consider current risks and those likely to arise in future as consequence of Council’s activities.</p>	<p>When identifying risks and in formulating the annual audit, changes on national agenda are considered. Internal audit maintains awareness of new developments in the services and risk management</p>	<p>Annual risk assessment completed as per schedule and minuted accordingly.</p>

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<p>11. Be challenging</p>	<p>Internal audit focuses on risks and encourages The council to develop their own responses to risks, rather than relying solely on audit recommendations. The aim of this is to encourage greater ownership of the control environment.</p>	<p>Council has undertaken significantly less financial expenditure in this financial year in comparison with financial year 2019-20 Ongoing projects are taken forward using existing powers as GPC is not yet available to the Parish Council.</p>
<p>12. Ensure the right resources are available</p>	<p>Adequate resource is made available for internal audit to complete its work. Internal auditor understands the body and the legal and corporate framework in which it operates.</p>	<p>Clerk/RFO has discussed the forthcoming audit with IA and a timetable for completion has been agreed upon to meet all legislative and statutory requirements. IA is a former Councillor who required no additional training to take on the role.</p>

Reviewed:

Note: Review of effectiveness of internal audit must be reviewed and adopted by council annually during the financial year and again before 31 March 2022.