

TOW LAW TOWN COUNCIL – REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT – 16<sup>TH</sup> MARCH 2010

## 1. Meeting the Standards

<b>Expected Standard</b>	<b>Evidence of Achievement</b>	<b>Areas of Development</b>
<b>1.Scope of Internal Audit</b>	Appointment of Internal Audit agreed at the Town Council meeting dated 16/03/2010 List of Council Policies (see appendix 3)	Terms of Reference  Reviewed on an Annual basis
<b>2. Independence</b>	The Internal Auditor does not live in the Town Council Area and holds no other role within the Town Council Standing Orders are reviewed annually Financial regulations are reviewed annually Internal Auditor reports to the Town Council meeting.	Continue with annual report to the Town Council
<b>3. Competence</b>	Members have agreed that the Internal Auditor carries out his work ethically, with integrity and objectively.	
<b>4. Relationships</b>	The Town Clerk/RFO meets with the Internal Auditor to agree dates to review files, reports etc. Responsibilities of Officers and Internal Auditor are defined in various Policies. Responsibilities of Town Council members are understood by Financial awareness training.	Develop written procedures  Responsibilities to be included in the terms of reference Develop Members Training plan Financial Awareness Training Requirements
<b>5. Audit Planning and reporting</b>	Dates for Internal Audit is agreed between the Town Clerk/RFO and Internal Auditor (informal)	Develop Audit Plan (To include Dates of Internal Audits). Town Council to approve Audit Plan Internal Auditors report to be included in reported Audit Plan

## 2. Characteristics of Effectiveness

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

**Tow Law Town Council  
List of Policies  
Council meeting 16<sup>th</sup> March 2010**

**Standing Orders  
Financial Regulations  
Statement of Community Engagement  
Grant Policy – Town Council funding  
Grant Policy – N-Power Community Fund  
Health & Safety Policy Statement  
Management of Records  
Risk Management  
Equal Opportunities  
Child Protection  
Complaints Procedure  
Anti-fraud and Corruption  
Protocol for Members/Officer relations  
Risk Assessment Statement**