

Wetherby Town Council

Annual review of the effectiveness of internal audit
Annual Accounts 2016/17

Attachment 5.3

Expected Standard	Evidence of Achievement	Areas for Development
1. Scope of internal audit	<p>Scope of audit was re-approved by full council on 12th July 2016.</p> <p>Scope of audit work takes into account risk management processes and wider internal control – all necessary documents are submitted for audit</p> <p>Terms of reference define audit responsibilities in relation to fraud Revised annually before the year end audit.</p>	To assist in, and provide advice on the council's Risk Assessment Policy.
2. Independence	<p>Internal Auditor has direct access to those charged with governance (see Financial Regulations).</p> <p>Reports are made in own name to management</p> <p>Auditor does not have any other role within the council</p>	No development necessary
3. Competence	No evidence that internal audit work has not been carried out ethically, with integrity and objectively.	No development necessary
4. Relationships	<p>Responsible officers (Clerk/RFO) are consulted on the internal audit plan and on the scope of each audit. (Evidence is on audit files)</p> <p>Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters.</p> <p>The responsibilities of council member are understood; training of members is carried out as necessary. (See member training plan)</p>	No development necessary
5. Audit Planning and reporting	<p>The Audit Plan properly takes account of corporate risk.</p> <p>The Plan is approved by the council every year.</p> <p>Meeting with the Internal Auditor prior to year end in order to discuss any issues/matters arising in the current financial year.</p> <p>Internal Audit has reported in accordance with the plan.</p>	No development necessary

2. Characteristics of Effectiveness

Characteristics of 'effectiveness'	Evidence of Achievement	Areas of Development
Internal audit work is planned	Planned Internal audit work is based on risk assessment and designed to meet the body's governance assurance needs.	No development necessary
Understanding the whole organisation its needs and objectives	The annual audit plan demonstrates how audit work will provide assurance in relation to the body's annual governance statement	No development necessary
Be seen as a catalyst for change	Supportive role of audit for corporate developments such as corporate governance review, risk management and ethics	No development necessary
Add value and assist the organisation in achieving its objectives	Demonstrated through positive management responses to recommendations and follow up action where called for.	No development necessary
Be forward thinking	When identifying risks and in formulating the annual audit plan, changes on national agenda are considered. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.	No development necessary
Be challenging	Internal audit focuses on risks and encourages managers, members 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.	No development necessary
Ensure the right resources are available	Adequate resource is made available for internal audit to complete its work. Internal auditor understands the body and legal and corporate framework in which it operates.	No development necessary

Wetherby Town Council has considered the effectiveness of the internal Audit mechanisms it uses.

Signed: _____ (Mayor) Signed: _____ (Town Clerk)

Date: _____