

1 Meeting the standards

Expected Standard	Evidence of Achievement	Areas for development
1. Scope of internal audit	<p>Terms of reference were (re)approved by full council/board on [date]</p> <p>Scope of audit work takes into account risk management processes and wider internal control</p> <p>Terms of reference define audit responsibilities in relation to fraud</p>	
2. Independence	<p>Internal Auditor has direct access to those charged with governance (see Financial Regulations). Reports are made in own name to management. Auditor does not have any other role within the council/board.</p>	
3. Competence	<p>No evidence that internal audit work has not been carried out ethically, with integrity and objectivity.</p>	
4. Relationships	<p>Responsible officers (Clerk, RFO, CFO, CEO etc) are consulted on the internal audit Checklist 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 board/council members are understood; training of members is carried out as necessary.</p>	
5 Audit Planning and reporting	<p>The Audit Checklist properly takes account of corporate risk.</p> <p>The Checklist has been approved by the council</p> <p>Internal Audit has reported in accordance with the Checklist</p>	

2 Characteristics of Effectiveness

Characteristics of ‘effectiveness’	Evidence of Achievement	Areas for 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.	
Understanding the whole organisation its needs and objectives	The annual audit Checklist demonstrates how audit work will provide assurance in relation to the body’s annual governance statement.	
Be seen as a catalyst for change	Supportive role of audit for corporate developments such as corporate governance review, risk management and ethics.	
Add value and assist the organisation in achieving its objectives	Demonstrated through positive management responses to recommendations and follow up action where called for.	
Be forward looking	When identifying risks and in formulating the annual audit Checklist, changes on national agenda are considered. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.	
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.	
Ensure the right resources are available	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.	

SHIPLAKE PARISH COUNCIL

Reviewed and adopted on:

 8/3/19

Note: Review of effectiveness of internal audit must be reviewed and adopted by council/meeting/board/body annually during the financial year and before 31 March.

