

Bletchley and Fenny Stratford Town Council

REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT AND CONTROLS – 2023-24

PART 1 – MEETING STANDARDS

Expected Standard	Evidence of Achievement	Yes or No	Reference to specific evidence	Suggested Areas for Development
1.Scope of Internal Audit	<p>Terms of reference of internal audit were approved by Full Council.</p> <p>The internal audit work takes into account the council's risk assessment and wider internal control arrangements.</p> <p>Internal audit work covers the council's anti-fraud and corruption arrangements.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Continuation of contract with Auditing Solutions Ltd agreed at Finance Committee.</p> <p>Internal Auditor was instructed to follow guidance in proper practices and to consider the council's anti-fraud and corruption arrangements.</p>	<p>More detailed input from members on terms of reference would still be helpful.</p>
2. Independence	<p>The internal auditor has direct access to officers and full, uncontrolled and unhindered access to all the books, ledgers and documents required to undertake the audit</p>	<p>Yes</p>	<p>Internal auditor requests download of Omega accounts software which is provided prior to the two audits, one mid-year and one at year-end. The auditor is provided with unfettered access to all documents and information requested. The process has been</p>	

	<p>Reports are made by the auditor in their own name to the Town Council.</p> <p>The Internal Auditor holds no other role within the Town Council.</p>	<p>Yes</p> <p>Yes</p>	<p>actioned remotely over the last three years Reports provided to Finance Committee and Full Council and minuted.</p> <p>See above.</p> <p>The internal auditor is independent and has no other connection with the Town Council save the role as the internal auditor.</p>	
3. Competence	There is no evidence of failure to carry out the internal audit work ethically, with integrity and objectively.	Yes	The internal auditor was selected following research in the sector and is appropriately qualified and experienced.	

<p>4. Relationships</p>	<p>All responsible officers (Finance Manager(RFO) and Clerk) are consulted on the internal audit plan.</p> <p>Respective responsibilities of Officers and Internal Auditor are defined in relation to internal control, risk management and fraud and corruption matters.</p> <p>Town Council members understand their responsibilities.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The RFO is responsible with the council for making the arrangements for internal audit.</p> <p>Financial Regulations, Scheme of delegations and Risk Management policies have been adopted which lay down these responsibilities.</p> <p>This is true in the majority of cases although some councillors who are not members of the Finance and Governance Committee rarely ask questions and may lack confidence in financial matters.</p>	<p>In house training has been offered and the council has a budget for external training.</p>
<p>5. Audit Planning and reporting</p>	<p>The annual internal audit plan takes into account the risks facing the Council and was approved by the Council.</p>	<p>Yes</p>		

	Internal audit has reported in accordance with the plan	Yes	2022-23 reports were produced to council and their approval was minuted. The mid-year audit report for 2023-24 was completed in October 2023 and reported to full Council in November 2023.	
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PART 2 – CHARACTERISTICS OF EFFECTIVENESS

Expected Standard	Evidence of Achievement	Yes or No	Reference to specific evidence	Suggested Areas for Development
Internal Audit work is planned	Town Council annually produces a financial risk assessment statement	Yes	Last RA approved at full council on 24 January 2023.	
	Town Council agrees an annual budget statement	Yes		
	Town Council maintains an asset	Yes	The asset register is updated on an on-	

	register Annual Return published on Town Council's Web Site	Yes	going basis utilising Rialtas Software See website.	
Understanding the whole Organisation- its needs and objectives	The Town Council makes reference to "Governance and Accountability for Smaller Authorities in England – a Practitioners Guide 2022" to ensure audit work provides assurance for the council's annual governance statement.	Yes	See above 1.	
Be seen as a catalyst for change	Town Council revises and approves the following policies and items on an annual basis, taking into consideration the results of the Internal and External audits. Standing Orders, Financial	Yes Yes	All policies are on a review cycle but see below. Most policies (including SOs, and FRs)	

	<p>Regulations, Risk Management Strategy and Risk Register Review of Insurance Cover.</p> <p>The Town Council also reviews and discusses the following on a monthly basis - Regular Financial Statements Income/Expenditure Budgets</p>	Yes	<p>were reviewed at annual meeting in May 2023. Insurance renewal was in August and detailed review of insurance took place prior to renewal. Risk Management Policy and risk register were reviewed and revised by Council during 2023. See minutes</p> <p>See minutes of Finance Committee.</p>	
Add value and assist the organisation in achieving its objectives	Audit reports are received and discussed at Finance Committee Meetings and referred to full council. Recommendations are noted or implemented as appropriate.	Yes	No recommendations in last two reports.	
Be forward	The Town Council has now	Yes	The MTFP for 2024-25 is was approved	

looking	adopted a set of strategic priorities and values and is preparing a delivery plan for 2024-2025.		at Full Council in January 2024	
Be Challenging	Internal audit focuses on the risks facing the council and auditor is encouraged to be robust in challenging existing procedures.	Yes		
Ensure the Right Resources are available	<p>All appropriate resources are made available to Internal Audit without hindrance, including minutes, Policies Receipts/payments book, Cheques counterfoils, bank statements, invoices, Financial Regulations, Standing Orders and Financial Files.</p> <p>Town Council staff available to help the auditor with any queries or to locate any resources.</p> <p>The auditor understands the</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>See internal audit reports which detail resources viewed. (NB Two reports per financial year.)</p> <p>See internal audit reports.</p> <p>Auditor selected on basis of</p>	

	role of the council and the legal and corporate framework in which it operates.		professional qualifications and experience in sector.	
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Draft Review prepared and signed by

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Date:

(For consideration at Finance and Governance Committee on 27 February 2024 and approval at Full Council on 2 April 2024)