

Internal Audit Plan June 2019

1. Introduction

A local council is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.

Internal audit is an independent, objective assurance activity designed to improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

This plan, forms part of the evidence for the internal audit review undertaken annually.

2. Internal Audit Plan

The table identifies key actions and their frequency. See also scheme of delegation where some responsibilities may be delegated to the Policy and Resources Committee.

Reviews may also take place in the light of changes in legislation or guidance or organisational or financial necessity.

Arrangements are in place for effective financial management during the year		
Action	Responsibility	Frequency / Date
Draft budgets agreed	Committees	December
Budgets and Precept agreed	Council	January
Review of spend against budgets	Committees	Bi - annually
Financial reports approved	Council	Monthly
Investment reports received	Council	Bi - annually
Review Policy on Reserves	Council	Annually
Adequate systems of internal controls are in place		
Sample review of internal controls <ul style="list-style-type: none"> • Receipts and payments • Salaries • Petty cash • Direct debits / standing orders • VAT return 	Audit Sub Committee	Bi – Annually
Review of Standing Orders	Council	AGM
Approve bank signatories	Council	AGM
Review of Financial Regulations	Council	Annually
Review of Fixed Assets	Council	Annually
Salary payments approved	Council	Monthly
Contracts reviewed	Personnel Sub Committee	Annually
Review of effectiveness of system of internal control	Audit Sub Committee	June

Systems are in place to ensure there are no matters of non-compliance with laws, regulations or proper practices		
Action	Responsibility	Frequency/Date
Assert eligibility for General Power of Competence	Council	AGM following election
Review membership of NALC/SLCC	Council	AGM
Assessment and Management of Risk		
Review Financial Risk Assessment	Council	Annually / February
Review Organisational Risk Assessment	Council	Annually / February
Review Insurance Requirements	Council	Annually / February
Maintaining an adequate and effective system of internal audit		
Appoint Internal Auditor	Council	December
Review of Internal Audit	Audit Sub Committee	June
Review effectiveness of Internal Auditor	Audit Sub Committee	3 years / Nov 2019

3. Review

This internal audit plan will be reviewed annually as part of the internal audit review undertaken by the Audit Sub Committee.

June 2019