Internal Audit Plan December 2021

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.

1. **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.

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| --- | --- | --- |
| **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   * 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 |

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| **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 Plan | Audit Sub Committee | June |
| Review effectiveness of Internal Audit | Audit Sub Committee | 3 years / Nov 2022 |

1. **Review**

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

December 2021