

DRAYTON PARISH COUNCIL – REVIEW OF EFFECTIVENESS OF AUDIT CARRIED OUT FOR 2016-17 & PLANS FOR 2017-18

Expected Standard	Evidence of Achievement	Areas for development from last year/actions and comments for this year
1 Scope of internal audit	The outline for the review was agreed by the Finance and Personnel Committee in September 2016 and approved by the full Council on 5 th December 2016. The scope of internal audit work includes reference to the risk management processes and wider internal controls. Terms of reference are set out in the letter of appointment of the internal auditor.	Revised the outline in 2016-17 Re-issued Internal Auditor appointment letter with Terms of Reference
2 Independence	The Internal Auditor has direct access to the RFO and if necessary to the Chairman. The annual report was made by letter addressed directly to Drayton Parish Council and signed personally by the auditor. The auditor does not have any other role in relation to Drayton Parish Council.	Repeat for next year
3 Competence	Comments written on documents at the time of the internal audit inspection were seen by Parish Council. The internal audit report was discussed by Finance and Personnel Committee at its meeting on 5 th September 2016, The Internal Audit Report for 2015-16 was presented to the full Council at the meeting on 5 th September 2016. The Cashbook and the most recent bank statements were available at each Parish Council Finance and Personnel Committee meeting for inspection and checking. A bank reconciliation is normally done monthly and is checked by the Chairman or Deputy Chairman of the Finance Committee at the monthly Parish Council meeting or at the quarterly Finance meeting. A detailed check was made on 5 th September 2016 by the Councillor responsible, and this is always repeated at the year end. There is no evidence that internal audit work has not been carried out ethically.	F&P Deputy Chair has made detailed check of cash book and bank statements as end October 2016 of Repeat regularly and at Year End
4 Relationships	Responsibilities are defined in the job descriptions for the Clerk/RFO and Deputy Clerk and responsibilities for Councillors are stated under risk management. Training is carried out as necessary. The Clerk/RFO attended a course on Finance and Audit on 11 th May 2010, has undertaken the WWYC modular course which deals with Finance in one of its six modules, and has received training for the Cilca qualification, and was awarded this qualification in November 2016.. He has access via the website to the latest edition of the Governance and Accountability Guide.	
5 Audit Planning and Reporting	The internal audit reported on 13 th May 2016 in accordance with the Audit arrangements set out in Section 2 of the Parish Council's Financial	Revised Audit Plan to be agreed at Finance meeting each year

	Regulations, last reviewed in May 2016 The Audit Plan, drafted by the Internal Auditor, was reviewed and approved at the Finance and Personnel Committee on 5 th September 2016 and the PC re-appointed the Internal Auditor at its meeting on 5 th September 2016 . Section 17 in the Financial Regulations takes account of the management of corporate risk by an annual risk assessment process, which is now carried out in September each year, and which was last undertaken on _ and signed off at the Parish Council meeting on 5 th December 2016	
Characteristics of 'effectiveness'	Evidence of Achievement	Areas for development
Internal audit work is planned	Planned internal audit work is proportional to the level of risk assessed relating to a single member of staff and a small annual budget (c. £62k), and is designed to meet the Parish Council's governance assurance needs. The Financial and General Risk Assessments and Risk Management Policy, and the Health and Safety risk assessment for the Clerk working at home, were last reviewed and updated in September 2015. Financial statements and bank reconciliations were produced by the RFO for inspection at the quarterly Parish Council Finance and Personnel meetings held in May, September and November 2016 and will be in January 2017 , and were reviewed at each full Parish Council (see Minutes). An analysis of income and expenditure against budget was produced for quarterly review by the Parish Clerk, and the updated version was considered in November 2016 prior to setting the precept. Invoices have been checked by two Councillors prior to signing the cheques and initialling the cheque stubs, or approving online payments.	Review Risk Assessments each year, including Drayton2020 NDP risks
Understanding the whole organisation, its needs and objectives	The annual audit plan provided by the Internal Auditor shows how audit work will provide assurance in relation to the Parish Council's annual governance statement. Accounts are held electronically and using a computer package has speeded up work on closing the accounts and producing the annual return. Standing Orders and Financial Regulations were last reviewed thoroughly reviewed in May 2016 Terms of Reference for Committees have been devised. All Financial Regulations, Standing Orders and Terms of Reference are reviewed annually at the May Annual Meeting.	
Being seen as a catalyst for change	Obtaining new quotes for grass cutting and village caretaking duties has resulted in better value for the Parish Council, but experience also pointed to the need for balancing loyalty and good relationships locally with financial	Keep grass cutting contract arrangements under review

	<p>considerations on smaller jobs. The grass cutting contract came up for its three year review in 2015-16 so the next review is in 2018-19, though discussions with OCC and the prospect of more grass cutting at the Barrow Road sports fields may prompt an earlier review. . The Village Caretaker was appointed in April 2011 based on a competitive tendering process.</p>	
Be forward looking	<p>When identifying risks and formulating the annual plan, changes advised by national bodies are incorporated – the structure of the Risk Assessments and Risk Management Policy has already been simplified. Policies relating to Data Protection/FOI, complaints procedures, publicity handling and Equal Opportunities have been introduced. The Parish Council has been prudent in its finances, planning ahead for the difficult times which have now arrived. Complaints procedures for members of the public agreed and published. Communications policy were drawn up in 2011 and village website with Parish Council pages launched to publicise the Council's work. There has been good attendance in public participation sessions. A Facebook page 'Families in Drayton' now allows a further method of public communication, and there is an email list of 250 households which is used particularly for neighbourhood planning matters.</p> <p>An online bank account was adopted in 2012. This Unity Trust Bank Account is operated with the Clerk entering payment details and two Councillors going online to approve e-payments. A list of these e-payments is provided by the Clerk for scrutiny at each Parish Council meeting.</p>	
Be challenging	<p>In September 2012 a neighbourhood planning process was launched under the name Drayton2020. A public Referendum on the NDP was held on 12th March 2015, and the NDP policies were supported by an overwhelming vote in favour.. An Implementation Committee of the Council was set up in 2016-17 with its own Terms of Reference and with strong Councillor cross membership. An Implementation Director, working one day a week in a voluntary capacity, has also been appointed in 2016-17 to liaise with developers.</p>	Drayton2020 NDP policies and plans are now being implemented
Ensure the right resources are available	<p>Finance for internal audit is included under 'administration' when setting the precept.</p> <p>The internal auditor has worked for the Audit Commission and fully understands the Parish Council and the legal and corporate framework in which it operates.</p>	

	<p>Access to all the latest Guidelines is available via the appropriate websites.</p> <p>A Deputy Clerk (currently 10 hours per week) was appointed in November 2012 to provide back-up for the Clerk and to share the increased workload resulting from the Drayton2020 Neighbourhood Planning and Implementation Process</p>	
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Signed:

Chair Finance

Parish Council Chairman

Date : 5th December 2016