

| Expected standard   | Evidence of achievement   | Yes or No  | Areas for development          | Action                       |
|---|---|--|--------------------------------|------------------------------|
| 1. Scope of internal audit  | Terms of reference for internal audit were (re)approved by full council on [date].<br><br>Internal audit work takes into account both the council's risk assessment and wider internal control arrangements.<br><br>Internal audit work covers the council's anti-fraud and corruption arrangements.  | Adopted 21/7/15, reviewed 19/1/16<br><br>Risk Register adopted 21/7/15, reviewed 19/1/16<br><br>reviewed 19/1/16 |                                |                              |
|   |   |  |                                |                              |
|   |   |  |                                |                              |
| 2. Independence   | Internal audit has direct access to those charged with governance (see Financial Regulations).<br>Reports are made in own name to management.<br>Internal audit does not have any other role within the council/board.  | Y<br><br>Y<br><br>Y  |                                | Yes                          |
|   |   |  |                                | Yes                          |
|   |   |  |                                | Yes                          |
| 3. Competence   | Is the internal audit work carried out ethically, with integrity and objectivity, and a good understanding of local council legislation and procedures.   | Y  |                                |                              |
| 4. Relationships  | All responsible officers (Clerk and RFO) are consulted on the internal audit plan. (Evidence is on audit files).<br>Respective responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters (job descriptions and engagement letter).<br>The responsibilities of council members are understood; training of members is carried out as necessary. | Y<br><br>Y<br><br>Y  |                                |                              |
|   |   |  |                                | Yes                          |
|   |   |  |                                | Training Log for Councillors |
| 5. Audit Planning and Reporting                                   | The annual internal audit plan properly takes account of all the risks facing the council and has been approved by the council [date].<br><br>Internal audit has been reported to the Full Council  | 19/01/2016<br><br>21/06/2016   |                                | Risk Register updated        |
|   |   |  |                                |                              |
|   |   |  |                                |                              |
| Characteristics of 'effectiveness'                                | Evidence of achievement   | Yes or No  | Areas for development          |                              |
| Internal audit work is planned                                    | Planned internal audit work is based on risk assessment and designed to meet the council's needs.   | Y  | Adopted 2015, reviewed 19/1/16 | See 1.2                      |
| Understanding the whole organisation its needs and objectives     | The annual audit plan demonstrates how audit work will provide assurance for the council's Annual Governance Statement.   | Y  |                                | See 4.1                      |
| Be seen as a catalyst for change                                  | Internal audit supports the council's work in delivering improved services to the community.  | Y  | 20/02/2017                     | TOR now includes this        |
| Add value and assist the organisation in achieving its objectives | The council makes positive responses to internal audit's recommendations and follows up with action where this is called for.   | Y  |                                | Agenda item                  |
| Be forward looking  | In formulating the annual audit plan, national agenda changes are considered.   | Y  |                                | See 4.1                      |
|   | Internal audit maintains awareness of new developments in the council's services, risk management and corporate governance arrangements.  | Y  | 20/02/2017                     | TOR now includes this        |
| Be challenging  | Internal audit focuses on the risks facing the council.<br>Internal audit encourages managers/members to develop their own responses to risks, rather than relying solely on audit recommendations.   | Y  | 20/02/2017                     | TOR now includes this        |
|   |   | Y  |                                | see 4.3                      |
| Ensure the right resources are available                          | Adequate resource is made available for internal audit to complete its work.<br>Internal audit understands the council and the legal and corporate framework in which it operates.  | Y  | 20/02/2017                     | TOR now includes this        |