

Review of the effectiveness of the internal audit year end 2021/2022

Within the financial year 2021/2022 there have been 2 internal audits undertaken by Diane Brown, who was appointed as Bingley Town Council's Internal Auditor.

Both audits were undertaken remotely, due to the continuing challenges of the Covid 19 pandemic.

The first review for year ending March 31st 2021 was undertaken on 1st June 2021.

The second "mid-term" review was completed on 17th November 2021.

STANDARDS	EVIDENCE OF ACHIEVEMENT	COMMENTS
Scope of examination	<p>Scope of audit work takes into account risk management and wider internal control.</p> <p>Terms of reference for audit define responsibilities in relation to fraud.</p>	<p>Internal Audit Report of Bingley Town Council, date of visits 2020-21 - end of year visit was undertaken on 1st June 2021 and the mid-term visit 17th November 2021 (both carried out remotely):</p> <p>'I noted good practice in that the Standing Orders, Financial Regulations, Risk Assessment policies, Reserve policies had all been reviewed and adopted.' (p. 3).</p> <p>'I found excellent audit trails for an effective accounting system in operation. I was therefore able to tick all areas of the Internal Audit page of the AGAR positively.' (p. 4).</p>
Competence	There is evidence that internal audit work has been carried out ethically, with integrity and objectivity.	<p>Bingley Council Audit Plan:</p> <p>This document outlines the aims, schedule, and requirements.</p>
Relationships	<p>Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters</p> <p>The responsibilities of Council members are understood; training is undertaken by Councillors as required</p>	<p>Internal Audit Report of Bingley Town Council, date of visit 1st June 2021:</p> <p>'Since my last audit in November 2020 there have been staffing changes.'</p> <p>'Starting a new post at the year end is not a good time but having been Internal Auditor for Bingley Town</p>

		<p>Council since it started, I am confident there are good systems of control in place.’ (p. 1) ‘The main challenge for the Council now is staffing. Staff will need time to familiarise themselves with the Council’s operation.’ (p. 4)</p> <p>Internal Audit Report of Bingley Town Council, date of visit 17th November 2021: ‘Bingley Town Council has 16 councillors, there are currently 15 in post and one vacancy which the Council can co-opt to. All 15 councillors have completed a Disclosure of Pecuniary Interests form and all forms were on the Council’s website. The Code of Conduct was recently refreshed at the August 2021 Full Council meeting. I found this area to be satisfactory.’ (p. 3)</p> <p>‘On the appraisal front the Admin Officer has had hers, Nicola’s is planned for 29th November and Eve’s is yet to be scheduled but I was assured that it was in hand.’ (p.4)</p> <p>‘There is an issue with the amounts charged by Bradford CPA which Nicola is resolving.’ (p. 4)</p>
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Was the internal audit effective?

Characteristics of Effectiveness	Evidence of achievement	Areas for improvement
Internal audit work is planned	<p>As per each internal audit report, the next internal audit to take place is scheduled at this time, meaning that it is planned 6 months in advance.</p> <p>Due to the retirement of the current Internal Auditor, a new Internal Auditor will need to be sought for the 2022-23 financial year (the current Internal Auditor has agreed to undertake the year end for 2021-22 prior to her departure).</p>	
Understanding the whole organisation, its needs and objectives	Internal Audit Report of Bingley Town Council, date of visits 1 st June 2021:	Need to look for new website provider, once the staffing team has been expanded.

	<p>'I examined the Council minutes on the website for the second half of the financial year. The council meetings are being carried out remotely which is ensuring that in these strange times council business is continuing.' (p. 2).</p> <p>'Bingley Town Council continues to be a well run Council and I did not find any significant issues. My recommendations from this audit are:</p> <ul style="list-style-type: none"> • Banking mandate to be available for the next audit. • Internal Control documentation which notes the testing completed by Councillors to be available for the next audit.' (p. 4). <p>Internal Audit Report of Bingley Town Council, date of visit 17th November 2021:</p> <p>'I found the website contained the information I needed to carry out my audit. My only comment is that navigation is not as clear cut as other councils I audit, and this may be a good opportunity to look at other providers.' (p. 4)</p>	
Be seen as a catalyst for change and forward looking	<p>Internal Audit Report of Bingley Town Council, date of visit 17th November 2021:</p> <p>'I examined the Council minutes on the website for the first half of the financial year April to September.'</p> <p>'The Changing Places project continues to be challenging.'</p> <p>'If the project goes ahead there will be future running costs to be included in the budget.'</p> <p>'All queries raised from the examination of the minutes were satisfactorily answered by Eve and Nicola.' (p. 2).</p>	
Independent	Independent Internal Auditor provides two internal audits per year.	Due to the retirement of the current Internal Auditor, another one will need to be sought for the 2022-23 financial year internal audits.
Add value and assist Bingley Town Council in achieving its objectives	Internal Audit Report of Bingley Town Council, date of visit 17 th November 2021:	

	<p>‘Prior to speaking to Eve and Nicola I had noted in the Finance Committee October minutes that the budget had been discussed. It stated that a presentation would be made to the November meeting with two draft budget scenarios to reflect projects on the Council’s Priority List and the Changing Places facility. Eve, Nicola and I discussed the budget and early indications for the precept for 2022-23 was that it would be raised.’</p> <p>‘We also discussed the current Reserves strategy and the need to update it.’</p> <p>‘Our discussion was centred around the Changing Places Project and how this could impact on reserves. It was agreed that the general reserve would be investigated to ensure that it was viable. It is my view that it should include a calculation of at least six months’ minimum working reserve.’ (p. 3).</p>	
<p>Responsive to challenge</p>	<p>Internal Audit Report of Bingley Town Council, date of visit 1st June 2021:</p> <p>‘Since my last audit in November 2020 there have been staffing changes at Bingley Town Council in that both the Clerk and the Deputy Clerk have left. A new Deputy Clerk, Nicola Mansfield-Smith was appointed two weeks ago and Eve Haskins has been appointed as Clerk but has yet to start. In the interim support is being provided by a Locum Clerk, Tracy Predeth.’</p> <p>Internal Audit Report of Bingley Town Council, date of visit 17th November 2021:</p> <p>‘There have been staffing changes since the last audit, at that time Nicola had only been in post two weeks and Eve had yet to start.’ (p. 1)</p> <p>‘Eve and Nicola make a good team and I enjoyed working with them.’ (p. 5)</p>	<p>A further member of staff to be recruited to augment the staffing team.</p>

Has the guidance from the internal auditor been considered and incorporated into Bingley Town Council practice?

	Evidence of achievement	Areas for improvement
Internal auditor reports guidance	<p>Internal Audit Report of Bingley Town Council, date of visit 1st June 2021:</p> <p>‘There was only one recommendation from my mid-year audit. This was that the internal controls document should always be completed in readiness for the audit visit. I noted from the examination of the Council minutes that the Internal Controls had been reviewed by councillors in February 2021. In addition, I noted from the December 2020 minutes that the procedure to review the effectiveness of internal control and arrangements to protect public money had been reviewed, improved and adopted.’ (p. 2).</p> <p>Internal Audit Report of Bingley Town Council, date of visit 17th November 2021:</p> <p>‘Bingley Town Council continues to be a well-run Council and I did not find any significant issues.’</p> <p>‘My recommendations from this audit are:</p> <ul style="list-style-type: none"> • Internal Control documentation which notes the testing completed by Councillors to be available for the next audit. • Examination of the Reserves to ensure that the minimum working reserve is sufficient and the impact of any shortfall in the Changing Places Project is accounted for. • Further RBS training for Eve and Nicola to ensure that the software is being fully utilised.’ (p. 5) 	<p>Internal Audit Report of Bingley Town Council, date of visit 17th November 2021:</p> <p>Recommendations from this audit were:</p> <ul style="list-style-type: none"> • Internal Control documentation which notes the testing completed by Councillors to be available for the next audit. • Examination of the Reserves to ensure that the minimum working reserve is sufficient and the impact of any shortfall in the Changing Places Project is accounted for. • Further RBS training for Eve and Nicola to ensure that the software is being fully utilised.’ (p. 5) <p>Actions are complete.</p>