

Scope and nature of Internal Controls and Internal Audit

Action	Method	Comments
<p>Scope of Internal Controls</p>	<ol style="list-style-type: none"> 1. Terms of Reference to be approved by the whole Council and minuted. 2. The Internal Control System comprises the whole network of systems within the Council, namely the nominated Members responsible for Internal Controls and the Clerk each of whom has distinct functions within the process which is carried out with due regard to Risk Management and Anti-Fraud Measures. The systems within the Council's Internal Controls have regard to: <ul style="list-style-type: none"> • The effectiveness of operations • The economic and efficient use of resources • Compliance with applicable policies, procedures, laws and regulations • The safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption • The integrity and reliability of information, accounts and data 	<p>Council to Resolve to Recommend</p>

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<p>Competence</p>	<ul style="list-style-type: none"> • The Internal Auditor is supplied via a contract with the Northamptonshire Association of Local Councils and has the authority to: • access council premises at reasonable times agreed in advance • access all assets, records, documents, correspondence and control systems • receive any information and explanation considered necessary concerning any matter under consideration • require any employee of the council to account for cash, stores or any other council asset under his/her control • access records belonging to third parties, such as contractors when required 	
<p>Relationships</p>	<ul style="list-style-type: none"> • The Clerk/RFO is consulted on the internal audit plan and on the scope of each audit • The Clerk/RFO has clearly defined responsibilities for Risk Management, Internal Control, Internal Audit and preventing Fraud and Corruption 	

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	<ul style="list-style-type: none"> • Members responsibilities are also clearly defined and appropriate training will be arranged. • It is recognized that the existence of Internal Audit does not diminish the responsibility of the council to establish systems of internal control to ensure that activities are conducted in a secure and well-ordered manner. 	
<p>Audit Planning and Terms of Reference</p>	<ul style="list-style-type: none"> • The Audit plan will be the subject of Annual Review by the Clerk . Both the Plan and the Terms of Reference require to be approved by the Council • The Audit Plan will enable risks to be identified and ensure adequate management, encourage the review of corporate governance and will encourage the Council to act in a pro-active way. • The Audit Plan will also consider any changes or proposed changes to legislation which may take place 	<p>Resolve to appoint and use required for the NCALC Internal Audit Service Terms of Reference</p> <p>Resolution to adopt an Audit Plan.</p>