

Financial Risk Assessment: 8. Internal Audit					Responsible Officer: RFO / Full Council Committee
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like-lihood	Impact	Rating	
1	Scope of Internal Audit does not include all relevant risks.	1	3	3	<p>The terms of reference for the Internal Audit are agreed by the PGF Committee.</p> <p>The scope of the audit plan is agreed by PGF to ensure it supports the Council's Annual Governance Statement by RFO/Council.</p> <p>The scope of audit work takes into account risk management processes and wider internal controls.</p> <p>Terms of reference define audit responsibilities in relation to fraud.</p>
2	The Internal Auditor is not sufficiently independent, unbiased and objective.	1	2	2	<p>The Internal Auditor has direct access to those charged with governance i.e. Members.</p> <p>Reports are made in own name to management.</p> <p>Auditor does not have any other role within the Council.</p> <p>The Internal Auditor is not involved with the preparation of management accounts.</p>
3	The Internal Auditor is unable to carry out the work ethically, with integrity and objectivity.	1	2	2	<p>Internal Audit reports are considered by the PGF Committee to ensure competency of the Internal Auditor meets the Council's requirements.</p> <p>References are obtained when appointing the Internal Auditor.</p>
4	Relationships impact on an effective audit process.	1	2	2	<p>The Town Clerk/Chief Executive and the RFO are consulted on the internal audit plan and on the scope of each audit.</p> <p>Responsibilities for officers and internal audit are defined in relation to internal control, risk management, fraud and corruption matters.</p> <p>The Internal Auditor does not influence the direction or extent of the review.</p> <p>The responsibilities of Council Members are understood; training of Members is carried out as necessary.</p>
5	Inadequate or a lack of audit planning and reporting.	1	2	2	<p>The Internal Auditor is instructed to undertake a full internal audit currently with four visits per year and to submit recommendations for improvement.</p> <p>The annual audit plan properly takes account of all the risks facing the Council and is approved by the Council.</p> <p>Internal audit is reported in accordance with the plan.</p> <p>Internal auditor is appointed on an annual basis and procurement of the service</p>

takes place every five years.

Reviewed by Town Clerk/ Chief Executive:

Date:

Approval by PGF Committee, signed by Chair:

Date: