TROWSE WITH NEWTON PARISH COUNCIL

Annual Review of the Effectiveness of Internal Audit

Internal audit

"A relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices".

Scope:

The purpose of internal audit is to review whether the systems of financial and other control are effective; neither the internal nor the external auditor can be expected to look for fraud. The internal auditor does not give an opinion on the accounts, but is required to review controls and give recommendations.

The internal auditor is required to review the completeness and accuracy of the council's accounts for the year, and to carry out a sample testing from the accounts to supporting documentation. The auditor shall also review payroll and VAT for reasonableness.

The internal auditor will discuss his findings with the Responsible Financial Officer and will then write a report on his findings to the Parish Council. In the case of a serious problem the auditor will report directly to the Chairman. Recommendations from the report will be recorded in the minutes and any action taken will be noted.

Independence:

The auditor shall not have any other role or employment within the council and the council confirms that this is the case. The auditor will report under his own name and will address his report to the council.

Competence:

The internal auditor shall be competent to carry out the work. He should have an understanding of the accounting process, an understanding of the role of internal audit in reviewing systems, an awareness of risk management issues and an understanding of the accounting requirements, legal framework and powers of local councils.

Internal controls:

The Council shall carry out an annual review of its system of internal control and of its financial risk management.

The review of internal audit shall be approved by the full council and by the Responsible Financial Officer.

Signed.................................
Chairman
Dated....15/05/19

Signed ....
Responsible Financial Officer
Dated ....15 May 2019

Annual Review of the Effectiveness of Internal Control

Responsibilities:
"(1) The relevant body shall.be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.
(2) The relevant body shall conduct a review at least once in a year of the effectiveness of its system of internal control"

Internal Control:
The system of internal control is designed to reduce the financial risk of the Parish Council to an acceptable level.

Financial Management:
The Parish Council has approved a set of financial standing orders which set out the way that Council's finances are to be managed. These are reviewed and approved once a year.

The Clerk is the Responsible Financial Officer and is responsible for the day-to-day financial management of the Council. The duties of the Responsible Financial Officer are reviewed and approved once a year. The RFO shall report all payments to the Council.

In time for the January precept request, the RFO shall prepare the budget for review by full council and recommendation for further presentation to the full Council which shall decide the precept for the forthcoming year.

Internal audit:
The Council has appointed an independent and competent internal auditor. The auditor reports his findings to the full Council and completes the Annual internal audit report on the Annual Return.

External audit;
The Council's external auditors are PKF Littlejohn, who complete Section 3 of the Annual Return; their comments and recommendations are reported to the full Council.
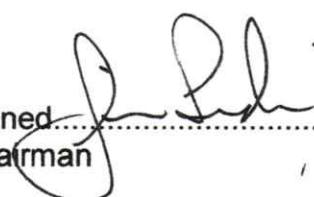
Review:
This review shall be carried out once a year and recorded in the Council's minutes.

Signed..
Chairman

Dated....15/05/19....................................

Signed ....
Responsible Financial Officer

Dated ....15. May 2019....