

WOODLAND PARISH COUNCIL

INTERNAL AUDIT PROCEDURE

2023 - 2024

1. In accordance with Governance and Accountability for Local Councils, the Council is to carry out a review of internal audit to support the annual governance statement in Part 2 of the annual return, detail of which is at Governance and Accountability for Local Councils Part 2 Para 2. The review is balanced to the council's internal audit needs and usage. It is designed to provide sufficient assurance for the Council that standards are being met and that the work of internal audit is effective. The review is to be carried out by Councillors and not by the Clerk, RFO or Internal Auditor. The reviewers may consult the Internal Auditor but the latter is not permitted to steer the review.

2. The review of the effectiveness of internal audit is to comprise examinations of the following:
 - a. **The Minute Book** – is the minute book up to date, is business conducted in accordance with Standing Orders and Financial Regulations and does it properly reflect and record resolutions by the Council, specifically when authorizing amendments to regulations and expenditure of Parish funds.
 - b. **Standing Orders** – are they up to date, ie reflect the latest legislation.
 - c. **Parish Risk Assessment** – does this properly reflect the general and financial level of risk facing the PC and are the measures put in place adequate to reduce that risk as far as is practicable.
 - d. **Financial Regulations** – are they up to date and do they meet the requirements of the risk assessment; are they being followed.
 - e. **Insurance Schedule** – is this up to date and is the cover sufficient to cover the goods and chattels belonging to the Parish and to meet any potential liabilities.
 - f. **Fidelity Guarantee** – is this at the correct level: ie cash balances plus half the precept.
 - g. **Bank Deposits** - are these in the most appropriate accounts for interest rates and security.
 - h. **Reserves** - general and specific, in particular are specific (fenced) reserves reasonable for the purpose they are held and are the general (free) reserves appropriate given the size of the precept and need to meet unforeseen liabilities and charges.
 - i. **Approval of appointment of Internal Auditor** – has the approval been minuted, is the appointee sufficiently qualified and independent of the PC, does the letter of the appointment reflect the requirements of Governance and Accountability for Local Councils, Part 2 Paragraphs 2.73 and 2.74.
 - j. **Last year's Internal Auditor's report** – Does it meet the scope laid down in the letter of the appointment – are there any outstanding actions to be completed by the PC.
 - k. **Any Comments from the External Auditors** – are there any outstanding actions to be completed by the PC.
 - l. **Legal Correspondence Linked to Contingent Liabilities** – comment if applicable.
 - m. **VAT Returns** – Are they up to date and in accordance with HMRC guidance (remember Partial Exemption restarts from 1 April).
 - n. **Accounts Presentation and Disclosures** – is the frequency and standard of the presentation of accounts to the PC sufficient for them to check the accounts correctness, is the cash book properly completed, have all liabilities been fully disclosed.

3. The review may be carried out throughout the year with a report to the PC where action is recommended to improve and maintain good governance

The reviewers will have access to all the necessary documents including the Minute Book, Cash Book, documents referred to above and reference documents from NALC and HMRC.

Sign:.....Clerk * (Councillor in Absence of Clerk)

Sign:.....Chairman

Date