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Internal Audit Review

Last review date: March 2023
 Next review date: March 2024

This Internal Audit Review was adopted by the council at its meeting held on 1st March 2023.

Reed Parish Council is required by The Accounts and Audit Regulations 2015 to conduct a review of the effectiveness of its internal audit, no later than 31 March 2023.

The purpose of the internal audit review is to ascertain that the systems of financial procedures, practices, documents of governance and other controls are effective. The review is designed to provide sufficient assurance for the Parish Council that standards are being met and that the work of internal audit is effective.

The internal auditor appointed must be both independent of the operations of the Parish Council and be competent to carry out the role in a way that will meet the business needs of the Parish Council.

In advance of the audit a clear strategy has to be devised whereby the auditor is given all information about the Council's operation and all documentation necessary for the audit is prepared and made available. A timetable of events has to be constructed.

Area of Review	Comments	Action	Status
Appointment of Internal Auditor	Mr Peter McMeekin to be appointed by letter.	<i>Clerk to deal</i>	<i>To be done</i>
Independence of Internal Auditor	Mr Peter McMeekin has no involvement or association with the Council.		<i>Reviewed</i>
Competence of Internal Auditor	Mr Peter McMeekin has the professional competence to carry out an internal audit.		<i>Reviewed</i>
Any relationship to Parish Council	Mr Peter McMeekin is known to the Clerk and Councillors personally and socially.		<i>Reviewed</i>
The scope of the review of the effectiveness of the Internal Audit comprised:	a. Approval of appointment of Internal Auditor – has the approval been minuted, is the appointee sufficiently qualified and independent of the Parish Council, does the letter of the appointment reflect the requirements of <i>Governance and Accountability for Smaller Authorities in England, March 2019, Section 4.15</i>		<i>Reviewed</i>
	b. 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		<i>Reviewed</i>

when authorizing amendments to regulations and expenditure of Parish funds.		
c. Standing Orders – are they up to date, i.e. reflect the latest legislation.		<i>Reviewed</i>
d. Parish Risk Assessment – does this properly reflect the general and financial level of risk facing the Parish Council and are the measures put in place adequate to reduce that risk as far as is practicable.		<i>Reviewed</i>
e. Financial Regulations – are they up to date and do they meet the requirements of the risk assessment; are they being followed.		<i>Reviewed</i>
f. Fixed Asset Register – is this up to date and complete.		<i>Reviewed</i>
g. 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.	Competence of Internal Auditor	<i>Reviewed</i>
h. Fidelity Guarantee – is this at the correct level: i.e. cash balances plus half the precept.		<i>Reviewed</i>
i. Bank Deposits - are these in the most appropriate accounts for interest rates and security.		<i>Reviewed</i>
j. 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>Reviewed</i>
k. 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 Parish Council.		<i>Reviewed</i>
l. Any Comments from the External Auditors – are there any outstanding actions to be completed by the Parish Council.		<i>Reviewed</i>
m. Legal Correspondence Linked to Contingent Liabilities – comment if applicable.		<i>Reviewed</i>
n. VAT Returns – Are they up to date and in accordance with HMRC guidance.		<i>Reviewed</i>
o. Accounts Presentation and Disclosures – is the frequency and standard of the presentation of accounts to the Parish Council sufficient for them to check the accounts correctness, is the cash book properly completed, have all liabilities been fully disclosed.		<i>Reviewed</i>