

BRETtenham and KILVERSTONE PARISH COUNCIL

ANNUAL REVIEW of the EFFECTIVENESS of INTERNAL AUDIT

The Accounts and Audit Regulations 2003: (as amended by the Accounts and Audit (Amendment) (England) Regulations 2006).

"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 controls 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 PC's accounts for the year and to carry out a sample testing from the accounts to supporting documentation. The auditor shall review payroll (when applicable) and VAT for reasonableness.

The Internal Auditor will discuss the findings with the RFO and will then submit a report to the PC. In the case of a serious problem the Internal 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 Internal Auditor shall not have any role or employment within the PC and the PC confirms that this is the case.

The Internal Auditor will report under his or her own name and will address the report to the PC.

Competence:

The Internal Auditor shall be competent to carry out this work. The Internal Auditor 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 accounting requirements, legal framework and powers of local councils.

Internal Controls:

The PC 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 PC and by the RFO.

Signature: _____

Name: _____

Chairman

Signature: _____

Name: _____

Vice Chairman

PC Meeting date: 14th May 2024