

# Rushmere St Andrew Parish Council – Internal Note

Source; Clerk / RFO

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## STATEMENT OF REVIEW OF CONTROL AND AUDIT PROCEDURES

It is a requirement of The Accounts & Audit (Amendment) (England) Regulations 2006 that local councils once a year review the internal audit procedures and minute accordingly. This document sets out the main criteria and the local actions taken to provide assurance in the procedures.

### Internal Audit

**Current Auditor:** Heelis & Lodge who are independent of any financial control and management of the Parish Council.

**Independence & Competency:** The Audit Commission expects the function of Internal Auditor to be undertaken by a competent person who does not have any direct involvement in the Council's financial affairs, similar to that of an Independent Examiner appointed by a charity (see paragraph 45 of 'A new approach to Local Council Audit', produced and published by the Audit Commission).

Heelis & Lodge are considered, by both the Audit Commission and the Charity commission, to fulfil the criteria relating to independence and competency tests, to act as Independent Internal auditors to Town and Parish Councils.

Heather Heelis who has personally carried out our internal audits, has many years' experience in all aspects of local government at both District and Parish level. She understands the role of the internal auditor by regularly reviewing and reporting on the councils control systems and risk management in addition to financial audit trails. She has good knowledge of the legal framework under which councils operate and is also familiar with the work of Suffolk Association for Local Councils (SALC) and has been recommended by them as an internal auditor.

**Level of Internal Audit:** An internal audit is currently carried out once a year and is considered fit for purpose and in proportion to the needs, size and circumstances of this council, which keeps procedures in place to monitor its activities. Examination of the councils minutes reveals that procedures and legislation are regularly and routinely reviewed/updated for accuracy, suitability and legality. They are deemed fit for purpose.

### Internal Control and Testing

In addition to the day-to-day procedures carried out by the Clerk/RFO & Assistant Clerk, the Chairman/Councillors undertakes spot checks of bank statements against cash book and cash book against Excel accounts spreadsheet.

Checks are also made by the Chairman/Councillors against cash book with the operation of the Cemetery Account and the role of the Registrar of Burials.

### Scope of Internal Audit work for Parish and Town Councils

Checking on and reporting to the Council on the adequacy of systems of control. Making recommendations where required.

**Proper book-keeping:** Receipts and payments books or computer records, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

**Financial regulations:** Standing Orders and Financial Standing Orders

	Tenders Appropriate payment controls including acting within the legal framework with reference to council minutes Identifying VAT payments and reclamation Cheque books, paying in books and other relevant documents
<b>Risk Assessment:</b>	Appropriate procedures in place for the activities of the council
<b>Budgetary controls:</b>	Verifying the budgetary process with reference to council minutes and supporting documents
<b>Income controls:</b>	Precept and other income (where applicable), including credit control mechanisms
<b>Petty Cash:</b>	The Parish Council does not operate a Petty Cash system – all local payments are made by cheque against invoice or till receipt
<b>Payroll controls:</b>	PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment
<b>Asset control:</b>	Inspection of asset register and checks on existence of assets Cross checking on insurance cover and deeds (where applicable)
<b>Bank Reconciliation:</b>	Regularly completed and cash books reconcile with bank statements
<b>Year-end procedures:</b>	Appropriate accounting procedures are used and can be followed through from working papers to final documents Verifying sample payments and income Checking creditors and debtors where appropriate.

### **The Review**

The Review of effectiveness of Internal Audit Plan Risk Assessment Document (attached) is to be used in conjunction with this document when reviewing the effectiveness of the internal audit each year. It should be noted in the minutes that this has been completed.

<b><i>Doc. History:</i></b>	Issue 1	dated	13 <sup>th</sup> December 2007
	Issue 2	dated	12 <sup>th</sup> May 2011
	Issue 3	dated	10 <sup>th</sup> May 2012
	Issue 4	dated	09 <sup>th</sup> May 2013
	Issue 5	dated	08 <sup>th</sup> May 2014
	Issue 6	dated	14 <sup>th</sup> May 2015
	Issue 7	dated	12 <sup>th</sup> May 2016
	Issue 8	dated	11 <sup>th</sup> May 2017
	Issue 9	dated	10 <sup>th</sup> May 2018
	Issue 10	dated	9 <sup>th</sup> May 2019
	Issue 11	dated	9 <sup>th</sup> June 2020
	Issue 12	dated	5 <sup>th</sup> May 2021
	Issue 13	dated	12 <sup>th</sup> May 2022
	Issue 14	dated	11 <sup>th</sup> May 2023