

# Norton Parish Council

## Internal Audit Plan

<p><b>The Accounts and Audit Regulations 2015.</b></p> <p>Consideration was given to Regulations:</p> <p><b>Regulation 3</b> - A relevant authority must ensure that it has a sound system of internal control which:</p> <p>(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;</p> <p>(b) ensures that the financial and operational management of the authority is effective; and</p> <p>(c) includes effective arrangements for the management of risk.</p> <p><b>Regulation 4</b> which requires the findings of the review of the system of internal control to be considered by a committee of the relevant body, or by members of the body as a whole; and</p> <p><b>Regulation 6:</b> which requires bodies to review the effectiveness of the internal audit once a year, and for the findings of the review to be considered by a committee of the body, or by the body as a whole, as part of the consideration of the system of internal control referred to in Regulation 4 above.</p>	<p><b>Outcome</b></p> <p>It was agreed that the system of internal control be considered by the full Parish Council</p>
<p><b>Audit Plan</b></p>	<p><b>Remarks / Actions</b></p>
<p><b>The Internal Auditor will understand accounting requirements of the legal framework and powers of local councils, and:</b></p> <ul style="list-style-type: none"><li>• Understand basic accounting processes;</li><li>• Understand the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of the Parish Council;</li><li>• Be aware of risk management issues;</li></ul>	

1. The Internal Auditor should work to the requirements contained in the suggested approach at Appendix 5 of the "Governance and Accountability in Local Councils in England and Wales - a Practitioner's Guide." His work should consider the whole of the Parish Council's system of internal control, including risk management in addition to other work that may be required from time to time.	
2. Where fraud is suspected, the Internal Auditor must report to the Chairman of Norton Parish Council. Where fraud by a Councillor is suspected, the Internal Auditor should report to the Clerk/RFO of Norton Parish Council.	
3. The Internal Auditor will have direct access to the Clerk/RFO and Chairman of Norton Parish Council.	
4. The Internal Auditor will report in his/her own name to the Parish Council.	
5. The Internal Auditor will have no other role within the Parish Council.	
6. The internal audit will be carried out ethically, with integrity and objectivity.	
7. The Internal Auditor will report in accordance with the Audit Plan by 31st May annually.	
8. Clerk to review/update the Audit Plan in conjunction with the Effectiveness of the Internal Audit and put it on the Agenda for the Parish Council to Review and approve before 31 March annually.	
<b>The Clerk/RFO will:</b>	
1. Review/update the Audit Plan in conjunction with the Effectiveness of the Internal Audit before 31 March annually and put it on the Agenda for the Parish Council to Review and approve.	
2. Review/update the Risk Assessment and Asset Register and ensure that the Parish Council accepts and approves it before 31 March annually.	
3. Review the insurance cover annually in May before renewal/payment becomes due.	
4. Ensure that the following documentation is up to date and available for the internal audit to be conducted: <ul style="list-style-type: none"> <li>• Agendas</li> <li>• Minutes</li> <li>• Policies</li> <li>• Invoices / financial files</li> <li>• Standing Orders</li> <li>• Financial Regulations</li> <li>• Receipts and payments records</li> <li>• Cheque book and stubs</li> <li>• Bank statements</li> <li>• Asset register</li> </ul>	

<ul style="list-style-type: none"> <li>• Staff payment records / PAYE</li> <li>• Insurance policy</li> <li>• VAT returns/records</li> <li>• Budget details/breakdown</li> <li>• End of year accounts</li> <li>• Annual Financial Return</li> </ul>	
<p>5. Present the Internal Auditor's report for consideration by Norton Parish Council at the earliest opportunity.</p>	
<p>6. If the Responsible Financial Officer suspects fraud or corruption by a Councillor, he/she shall discuss the matter in the first instance with the Chairman or (if the Chairman is the suspect) the Internal Auditor. If a Councillor suspects fraud or corruption by the Responsible Financial Officer, he shall first discuss the matter with the Chairman, then the Internal Auditor.</p>	

Date Reviewed	9 March 2021
Date of next review	March 2022