
FELTHORPE PARISH COUNCIL

REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

Effectiveness of Internal Audit

Felthorpe Parish Council is committed to providing a quality service for the benefit of Parishioners. The Council considers internal audit a key element of operating good and proper practices in accordance with legislative requirements.

The purpose of this policy is to:

- Recognise the legal framework in which the Council operates
- Outline the Council's attitude and commitment to internal audit and
- Identify responsibilities and arrangements for internal audit associated with Council operations.

The over-riding purpose of internal audit is to support the Council to improve its procedures for financial control of its activities. The scope of this policy is to set out the arrangements and responsibilities for the Internal Auditor. The policy should be read in conjunction with other council adopted policies and regulations, in particular:

- Risk Management
- Internal Control Policy
- Financial Regulations

On an annual basis, Felthorpe Parish Council will carry out a review of the effectiveness of the overall internal audit arrangements. As part of the review, this will include the appointment of an internal auditor, with the following parameters.

1. Appointment and Scope- The Internal Auditor is appointed annually by full Council. There are no limitations to the Internal Auditor's scope of activities. The scope of the Internal Audit allows for unrestricted access of the CPCs activities, including both financial and non-financial systems of internal control. The Internal Audit shall, as a minimum, cover areas which will provide a test of key controls in order to provide assurances that coverage has been met.
2. Independence - The Internal Auditor should be independent of the Council and should not have any involvement in, or responsibility for, the financial decision making, management or control of the Council, or with the Councils financial controls and procedures. The Internal Auditor should have direct access to those charged with governance (Clerk/RFO and Councillors where requested) during the Internal Audit. Reports should be made in the Internal Auditor's own name to the Parish Council via the Clerk/RFO.
3. Competence - There is no requirement for the Internal Auditor to be professionally qualified, but essential competencies are required for example: understanding basic book keeping and accounting processes, understanding of the Internal Auditor role, awareness of relevant Risk Management, understanding the proper practice in relation to governance and accounting.

Agreed: May 2025

Review Date: May 2026

4. Reporting - The duties of the Internal Auditor relate to reporting on the adequacy and effectiveness of the Council's system of internal control and risk management. This should be met by the completion of the annual internal audit form report page in the AGAR. The Internal Auditor should also provide the Council via the Clerk/RFO a full report of any recommendations or items found. This report will be included on the next available Council meeting agenda for consideration and action.