

## **HETHERSGILL PARISH COUNCIL**

### **INTERNAL AUDIT PLAN 2018/19**

To safeguard Hethersgill Parish Council finances there are 3 systems of control:

- Internal control,
- External Audit and
- Internal Audit

Internal audit is a key component of the system of internal control. Its purpose is to review whether the systems of financial control and other controls over the activities of the council are adequate, effective, and in line with current regulations. Internal audit can assist the council in its responsibility for the prevention and detection of fraud, corruption, error and mistakes.

The Internal Auditor is independent of the operations (financial control/management) of the Council and competent in the understanding of the law as applicable to Local Councils, of simple accounting and basic PAYE and VAT requirements.

The appointment of the Internal Auditor, along with agreed Terms of Reference, will be verified by the Council once per year. Any change in personal circumstances that may cause a question over the independence requirement must be reported to the Council.

The Internal Auditor will carry out under the direction and management of the Council (or as may be delegated to a Committee or to the Clerk) the following tasks:

- To review the accounting and internal control systems after the year end accounts have been completed. A mid-term review will be held in October if payments are significantly higher than anticipated or there has been any unbudgeted expenditure.
- To report in writing to Council each year on the results of such tests of the system that are carried out;
- To report to Council in the format required in the Annual Return and to provide assurance for the council's Annual Governance Statement.
- To carry out test checking of the books accounts and vouchers as required.

These Tasks will be carried out using the guidance taken from Governance and Accountability for Local Councils: A Practitioners Guide 2014 and the schedule below suggests an approach to the testing of the key controls to provide assurance that the minimum level of coverage has been met and that all known risks are managed adequately.

A review of the effectiveness of the internal audit process will be carried out once per year by the Council. This will be done in conjunction with a review of the Council's internal controls (as set out in the financial regulations and standing orders) and the risk management procedures