

# Great Finborough Parish Council

## Internal Audit Plan 2023/2024

Great Finborough Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The council is responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### Internal Audit:

The council appoints an independent and competent internal auditor who reports to the council on an annual basis on the adequacy of its:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

Last year SALC carried out the Internal Audit. Previous to that Heelis and Lodge carried out your audit for several years.

There are various ways for a parish council to source an internal audit service, for example:

- Appointing a local individual or a member of a panel of individuals administered by a local association or branch of NALC, SLCC or ADA. An individual will need to demonstrate adequate independence and competence to meet the needs of the authority.
- Employing a competent internal auditor with sufficient organisational independence and status to undertake the role.
- Purchasing an internal audit service from a principal local authority.
- Purchasing an internal audit service from a local firm or specialist internal audit practice. The firm needs to have an understanding of the local government legal framework and a number of professional firms offer a service to public bodies, authorities and commercial companies. For the largest authorities a specialist contractor appointment may be appropriate.

Quotes have been sought for the Internal Audit for 2023/2024.

Suffolk Association of Local Council (SALC)	£25,001 - £50,000	£274.00
All online	£15,001 - £25,000	£223.00
Heelis & Lodge	£25,001 - £50,000	£220.00
	£15,001 - £25,000	£170.00
Plus courier or mileage for delivery and collection of the files	mileage £40 approx each way	
Some larger Accountancy firms will carry out Parish Council Internal Audits	costs range from £300 - £500	

## **Process for Internal Audit**

1. Approval by Great Finborough Parish Council of regular Financial Reports and Bank Reconciliations produced by Clerk/RFO at each meeting of the council.
2. Review by Great Finborough Parish Council of their Standing Orders, Financial Regulations and Risk Management Controls at September meeting
3. Review by Great Finborough Parish Council of their systems of internal control at September meeting.
4. Review by Great Finborough Parish Council of the effectiveness of their Internal Controls at September meeting.
5. Adoption by Great Finborough Parish Council of the Internal Auditors Terms of Engagement and Audit Plan
6. Appointment of Internal Auditor
7. Receipt of Internal Auditors written report.
8. Review and agree any necessary action plan.

This Audit Plan and the Terms of Engagement for Internal Audit have been drafted for the purpose of instructing an Internal Auditor for 2023/2024.

## **Recommendations**

**That council appoint an Independent Internal Auditor for 2023/2024.**

**That council approve the Audit Plan and Terms of Engagement**