

To all councillors

## **2023/24 REVIEW OF INTERNAL AUDIT PROCEDURES**

The Audit Commission now requires all councils to review their internal audit system and produce an internal audit plan. The review should consider

whether the scope of the internal audit is adequate and Terms of Reference have been approved by Council

whether the internal auditor is sufficiently independent

whether the internal auditor is sufficiently knowledgeable about parish council finance systems

whether councillors understand their responsibility to review financial controls

whether audit planning and reporting are adequate

whether the audit plan takes account of risk and has been approved by Council

It is suggested that a formal risk assessment policy is adopted and an audit plan agreed annually (drafts attached.) Also attached draft terms of reference for individual audit policies.

Lizzie Barnicoat  
Clerk to the Council

### **HULCOTE AND SALFORD PARISH COUNCIL – AUDIT PLAN 2023/24**

1. Thorough review of Council expenditure when considering the precept, in the financial year 2023/24 it was agreed to set a precept request of £7,000.
2. Clerk to continue to produce transaction statement at every Parish Council meeting, indicating analysis of expenditure including section 137 payments in Council minutes and reclaiming VAT annually. Analysis of income also to be produced at every Parish Council meeting.
3. Council to review public liability, libel and slander, Clerk's fidelity and personal accident insurance annually prior to renewal of insurance premium, also Council's Schedule of Assets to be reviewed.
4. Annual internal audit to be carried out by individual whom is independent of Hulcote and Salford Parish Council and to the standards required by the Audit Commission.

5. Report to be presented to the Parish Council and any recommendations of internal and/or external auditors to be considered by the Council when received.
6. Internal audit system to be reviewed annually.
7. £150.00 allocated for internal and external audit fees for 23/24.

**HULCOTE AND SALFORD PARISH COUNCIL – AUDIT PLAN TERMS OF REFERENCE 2023/24**

1. Budget/Precept is set with due regard to Risk Assessment Plan and future developments in Hulcote and Salford.
2. Financial controls include every Parish Council meeting a financial report circulated, use of correct powers to make payments, proper reclaim of VAT regularly and analysis of budgeted/actual expenditure every quarter.
3. Annual review of grant expenditure/payments.
4. Adequate insurance cover is provided for all activities and equipment of Parish Council responsibility.
5. Annual internal audit is carried out by an individual who is independent of Hulcote and Salford Parish Council but familiar with parish council procedures and in line with requirements as set by the Audit Commission.
6. Recommendations of internal and external auditors are considered by Council.
7. Internal audit system is reviewed annually.
8. All resources requested are made available for internal and external audits.