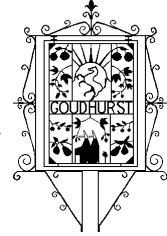


Goudhurst Parish Council



STANDING ORDERS INTERNAL AUDIT PROCEDURES

Reviewed and approved by Council's Policy Committee 28 November 2022

To be reviewed November 2024

Policy:

It is the policy of Goudhurst Parish Council to adopt best practice in all matters relating to the Parish Council's accounts. The Accounts and Audit Regulations 2003 as amended by the Accounts & Audit (Amendment) (England) Regulations 2006 refer.

The Responsible Financial Officer shall, subject to the approval of Council, take note of advice given by the Audit Commission, Kent Association of Local Councils, the National Association of Local Councils, SLCC, The Chartered Institute of Public Finance and Accountancy, other relevant sources and our Internal Auditor.

The responsibility for the implementation of the Internal Audit Procedures of Goudhurst Parish Council rests with Council.

Procedures:

The Finance Committee will ensure that an internal audit of the accounts of Goudhurst Parish Council is carried out at least once, but not more than three times, in each financial year.

The Responsible Financial Officer cannot carry out an internal audit. It may be carried out by a councillor or a parishioner.

The items to be checked are those on the 'Goudhurst Parish Council Internal Audit check sheet' in the format agreed by Council.

This policy should be read in conjunction with Section 2 of Council's **Financial Regulations**.

POLICY: INTERNAL AUDITOR TERMS OF REFERENCE

Goudhurst Parish Council (GPC) will appoint an Internal Auditor (IA) who satisfies its requirements for independence and competence. The appointment is to be made annually at the Parish Council Annual Meeting.

1. The IA will draw up an internal audit plan in conjunction with the Clerk/Responsible Financial Officer (RFO) and the Council.
2. The IA will plan and carry out all work necessary to give the assurances required in the annual return.
3. The IA will carry out a risk assessment to establish the required scope and frequency of testing.

The minimum requirement will include the testing of the following internal controls:

- Proper bookkeeping
- Standing orders and financial regulations adopted and applied
- Payments controls including electronic banking and BACS
- Risk management arrangements
- Budgetary controls
- Income controls
- Petty cash procedures
- Payroll controls
- Bank reconciliation
- Year-end procedures
- Value for money

The minimum required frequency of testing is once a year.

4. The IA will report to GPC after each examination, including recommendations to GPC for changes and improvements.
5. The Clerk/RFO will make available all necessary resources for the IA to complete their work.
6. The IA will keep GPC informed of national developments in risk management and corporate governance.
7. The Terms of Reference will be reviewed annually.