

Killamarsh Parish Council

KPC 65 Internal Audit Policy – Review the effectiveness of Internal Audit

DETAILS OF POLICY	
Policy No	KPC 65
Policy Title	Internal Audit Policy – Review the effectiveness of Internal Audit
Committee/Working Party Responsible	Finance Committee / Full Parish Council
Last Reviewed	29 th April 2024
Next Review Date	April 2025

The Policy

1. Purpose of this Policy

1.1. Killamarsh Parish Council is committed to providing a quality service for the benefit of people who live in, work or visit the parish of Killamarsh. The Council considers internal audit a key element of operating good and proper practices in accordance with legislative requirements.

1.2 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.

1.3 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.

2. Mission of the Review of Effectiveness of Internal Audit

To assist local councils to maintain and improve internal control in accordance with proper practices as set out in the Accounts and Audit Regulations.

3. Internal Audit Objectives and Responsibilities

The primary objective of Internal Audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council, and to achieve this will adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with particular reference to:

- The effectiveness of operations
- The economic and efficient use of resources
- Compliance with applicable policies, procedures, laws and regulations

- The safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption
- The integrity and reliability of information, accounts and data

Accordingly, in the conduct of planned audits Internal Audit may:

- Carry out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete Section 4 (Annual internal audit report) of the Annual Return.
- Review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- Review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- Appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- Review the established systems to ensure compliance with those policies, procedures, laws and regulations which could have a significant impact on operations, and determine whether the council is in compliance
- Review operations and activities to ascertain whether results are consistent with objectives and whether they are being carried out as planned.

4. The Scope of Internal Audit Activity

There are no limitations on Internal Audit's scope of activities. The scope of Internal Audit allows for unrestricted coverage of the council's activities, including both financial and non-financial systems of internal control.

4.1 Independence

The main determinant of the effectiveness of Internal Audit is that it is seen to be independent in its planning and operation. To ensure this, Internal Audit will operate within a framework that allows:

- Unrestricted access to the officers of the council
- Reporting in its own name
- Segregation from the day to day operations of the council Every effort will be made to preserve objectivity by ensuring that all Internal Auditors are free from any conflicts of interest and do not undertake any non-audit duties on behalf of the council.

4.2 Rights of Access

There are no limitations on Internal Audit's access to records. Internal Auditors have the authority to:

- access council premises at reasonable times agreed in advance
- access all assets, records, documents, correspondence and control systems
- receive any information and explanation considered necessary concerning any matter under consideration
- require any employee of the council to account for cash, stores or any other council asset under his/her control
- access records belonging to third parties, such as contractors when required.

5. The Council's Responsibilities

The Responsible Financial Officer and Proper Officer have clearly defined responsibilities for Risk Management, Internal Control, Internal Audit and preventing Fraud and Corruption.

The existence of Internal Audit does not diminish the responsibility of the council to establish systems of internal control to ensure that activities are conducted in a secure and well-ordered manner.

6. Reporting

The Internal Auditor will formally report the results of audits and the recommendations made to council and will follow up at subsequent Internal Audits to make sure that corrective actions are taken.