

# Grendon Parish Council

## Scope and nature of Internal Controls and Internal Audit

Procedure adopted at the meeting of Grendon Parish Council held on 14th May 2018

Reviewed 20.6.18

Reviewed 10.6.19

Reviewed 08.6.20

Reviewed 14.6.21

Reviewed 13.6.22

Reviewed 14.6.23

Reviewed and approved 11.11.24

Signed: .....

Chair

Dated: .....

## Scope and nature of Internal Controls and Internal Audit

Action	Method	Comments
<b>Scope of Internal Controls</b>	<ol style="list-style-type: none"> <li>1. Terms of Reference to be approved by the whole Council and minuted.</li> <li>2. The Internal Control System comprises the whole network of systems within the Council, namely the nominated Members responsible for Internal Controls, The Parish Clerk /RFO, has distinct functions within the process which is carried out with due regard to Risk Management and Anti-Fraud Measures.</li> <li>3. The systems within the Council's Internal Controls have regard to <ul style="list-style-type: none"> <li>● The effectiveness of operations</li> <li>● The economic and efficient use of resources</li> <li>● Compliance with applicable policies, procedures, laws and regulations</li> <li>● The safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption</li> <li>● The integrity and reliability of information, accounts and data</li> <li>● The Controls require annual review.</li> </ul> </li> </ol>	
<b>Scope of Internal Audit</b>	<ul style="list-style-type: none"> <li>● There are no limitations on Internal Audit's scope of activities.</li> <li>● The scope of Internal Audit allows for unrestricted coverage of the council's activities, including both financial and non-financial systems of internal control.</li> </ul>	
<b>Independence of the auditor</b>	<ul style="list-style-type: none"> <li>● The Internal Auditor will be given direct access to all those charged with governance, i.e., Members and Officers</li> <li>● The Internal Auditor will report to the Council in his own name at the conclusion of the audit with the findings of the audit, any recommendations and any compliance issues which have been raised.</li> <li>● The Internal Auditor has no other role within the Council and is not an employee of the Council directly but acts on a consultancy basis.</li> <li>● The Internal Auditor carries out their role segregated from the day to day operations of the Council</li> </ul>	
<b>Competence</b>	<ul style="list-style-type: none"> <li>● The Internal Auditor is supplied via a contract with the Northamptonshire Association of Local Councils and has the authority to: <ul style="list-style-type: none"> <li>● access council premises at reasonable times agreed in advance</li> <li>● access all assets, records, documents, correspondence and control systems</li> <li>● receive any information and explanation considered necessary concerning any matter under consideration</li> <li>● require any employee of the council to account for cash, stores or any other council asset under his/her control</li> <li>● access records belonging to third parties, such as contractors when required</li> </ul> </li> </ul>	

<p><b>Relationships</b></p>	<ul style="list-style-type: none"> <li>● The Parish Clerk is consulted on the internal audit plan and on the scope of each audit</li> <li>● The Responsible Financial Officer / Proper Officer has clearly defined responsibilities for Risk Management, Internal Control, Internal Audit and preventing Fraud and Corruption</li> <li>● Members' responsibilities are also clearly defined and appropriate training will be arranged.</li> <li>● It is recognized that 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.</li> </ul>	
<p><b>Audit Planning and Terms of Reference</b></p>	<ul style="list-style-type: none"> <li>● The Audit plan will be the subject of Annual Review by the Parish Clerk, and the Internal Auditor. Both the Plan and the Terms of Reference require to be approved by the Parish Council</li> <li>● The Audit Plan will enable risks to be identified and ensure adequate management, encourage the review of corporate governance and will encourage the Council to act in a pro-active way.</li> <li>● The Audit Plan will also take into account any changes or proposed changes to legislation which may take place</li> </ul>	<p>Resolve to recommend requirements for the NCALC Internal Audit Service Terms of Reference</p>