

Ashton Parish Council

Procedures for Financial Controls and Internal Audit

Under the Accounts and Audits Regulations 2015 , it is the Responsible Financial Officer's (RFO's) responsibility to ensure that the Council's day-to-day finances are run properly, but it falls to Council members to exercise a proper and reasonable degree of control over financial matters. This task is delegated to the Internal Controls Councillor (ICC).

The ICC checks, by regular quarterly sampling that;

- all anticipated income is received
- payments are properly authorised before they are made
- the record of receipts and payments is kept up to date and
- that a bank reconciliation is carried out at regular intervals

Any anomalies are resolved with the Clerk / RFO and the ICC then reports to members, at the monthly Council meeting.

The Council also operates maintains, monitors and reviews as necessary, its Financial Regulations and Financial and Management Risk Assessment.

In addition to these systems for the regular monitoring and management of the routines, there is a further legal requirement, that sits above the internal controls system for the Council to put in place an adequate and effective system of internal audit of its accounting and internal control systems. This is achieved through the appointment of an independent internal auditor (IA) who must be both competent and conversant with the regime of local government finance. The Council currently meets its obligation in this respect by using the Internal Audit Service of Northants County Association of Local Councils (NCALC) and this appointment is reviewed and renewed annually as part of the review of these Procedures. The IA checks, by sampling that the internal controls are adequate and working. The IA visits at least once per year - more frequently if the Council requests - and the Audit Report forms part of the Annual Governance and Accountability Review (AGAR).

In accordance with regulation 6 of the 2015 Regulations the Council carries out an annual formal review of the systems of Internal Control. This is conducted in accordance with laid down guidance, by means of an approved form of self-administered assessment. The latest review, including the outcomes is set out on the following page.

Ashton Parish Council Review of Effectiveness of Internal Audit, 08 February 2012

1. Meeting the standards

Expected Standard	Evidence of Achievement	Areas for Development
Scope of Internal Audit	Terms of reference for Internal Controls (IC) and Internal Audit (IA) first approved by the Council on 12.12.2012. Scope of IA includes examination of any / all of the Council's policies, procedures, records, systems and documents, as requested by either the Clerk / RFO or the Internal Auditor (IAr).	None at this time
Independence	IAr has free and unfettered access to any records, Councillor or Officer at any reasonable time. Reports from IA to the Council are in the name of the IAr and signed by him. IAr is completely independent of the Council, both by residence and personal connections.	None at this time
Competence	There is no evidence that IA work has been carried out unethically or without integrity and objectivity. The current IAr is active in the sector, both as a Parish and District Cllr.	None at this time
Relationships	Clerk / RFO makes contact with IAr, at which time a discussion takes place as to the reason for the contact and the Council's requirements, including the scope of the IA work to be carried out eg advice, full audit at time of Annual Return (AR) etc. Responsibilities are defined in Financial Regs and this document. Responsibilities of Councillors and Officers are understood; relevant persons are appropriately trained.	None at this time None at this time
Audit Planning and Reporting	No formal Audit Plan is prepared, rather the Council relies on the relationship arrangements described above. A comprehensive written Report is received from the IAr following the year end audit.	None at this time

2. Characteristics of effectiveness

IA work is planned	Planned IA work takes place routinely at the time of the AR; this document recognises IAr as a source of expertise and assistance, available to be called on if necessary.	None at this time
Understanding the organisation	IAr has audited the Council since year 2011-12 and is familiar with the organisation.	None at this time
Be seen as a catalyst for change	Whilst not expressly mentioned the role of IA is recognised by the full Council.	None at this time
Add value and assist the Council in achieving objectives	The IAr's report is comprehensive; both positive comments and areas for improvement (if any) are identified.	None at this time
Be forward looking	IA is recognised as a conduit for the supply of information on change and development in governance etc issues	None at this time
Be challenging	Both the Council and the IAr recognise their respective roles in encouraging ownership and development	None at this time
Ensuring resource is available for IA and IAr	The Council subscribes to a professional IA service	None at this time