



Treverbyn Parish Council

Internal Audit Plan

1. Introduction

Treverbyn Parish Council (“the Council”) is required to maintain an adequate and effective system of internal control and internal audit in accordance with:

- Local Audit and Accountability Act 2014
- Accounts and Audit Regulations
- Proper Practices as set out in the Joint Panel on Accountability and Governance (JPAG) Practitioners’ Guide
- The Council’s Financial Regulations and Standing Orders

This Internal Audit Plan sets out the framework for the Council’s internal audit arrangements and identifies the areas subject to review.

2. Purpose of Internal Audit

The purpose of internal audit is to provide the Council with independent assurance regarding:

- The effectiveness of internal controls
- Compliance with laws, regulations, and policies
- Financial management arrangements
- Governance and risk management processes
- Protection of public funds and assets

Internal audit supports good governance and accountability but does not remove the responsibility of the Council or the Responsible Financial Officer (RFO) for maintaining proper systems.

3. Objectives

The objectives of the internal audit process are to:

- Review and evaluate internal controls
- Ensure compliance with statutory requirements
- Verify accounting and financial procedures
- Assess risk management arrangements
- Review governance practices
- Identify weaknesses or areas for improvement
- Provide recommendations where appropriate

4. Internal Auditor

The Council shall appoint an independent and competent Internal Auditor.

The Internal Auditor shall:

- Be independent of the Council's day-to-day operations
- Have sufficient competence and experience
- Conduct reviews objectively
- Report findings directly to the Council

The Internal Auditor shall not:

- Be involved in financial decision-making
- Maintain accounting records
- Authorise transactions
- Undertake operational duties of the Council

5. Scope of Internal Audit

The internal audit shall include review of the Council's systems, controls, procedures, and records, including where appropriate:

- Accounting records
- Financial controls
- Budgetary controls
- Banking arrangements
- Payroll
- VAT procedures
- Income and expenditure
- Procurement and contracts
- Asset management
- Risk management
- Governance arrangements
- Data protection and information governance

- Cyber security awareness
- Compliance with Standing Orders and Financial Regulations
- Transparency requirements
- Grants and reserves
- Insurance arrangements

6. Audit Frequency

Internal audit work shall normally be undertaken:

- At least annually, and
- At additional intervals where considered necessary by the Council

The Council may request additional reviews where risks or operational changes justify further assurance.

7. Internal Audit Areas

The following areas shall normally be subject to review:

7.1 Proper Bookkeeping

Review of:

- Accounting records
- Cash books
- Financial software / Excel Spreadsheets
- Reconciliations
- Accuracy and completeness of records

7.2 Financial Regulations and Payments

Review of:

- Compliance with Financial Regulations
- Authorisation of expenditure
- Payment approval procedures
- Procurement controls
- Separation of duties where practicable

7.3 Risk Management

Review of:

- Risk assessments
- Insurance arrangements
- Asset protection
- Internal control systems
- Business continuity considerations

7.4 Budgetary Controls

Review of:

- Budget setting processes
- Budget monitoring
- Financial reporting to Council
- Reserve management

7.5 Income Controls

Review of:

- Receipting arrangements
- Banking procedures
- Grant income
- Facility income where applicable

7.6 Payroll

Review of:

- Payroll controls
- PAYE and pension compliance
- Staffing payments
- HMRC reporting

7.7 Asset Control

Review of:

- Asset register
- Asset valuations where applicable
- Security and maintenance arrangements
- Disposal procedures

7.8 Bank Reconciliation

Review of:

- Frequency and accuracy of reconciliations
- Review and approval arrangements
- Banking controls

7.9 Year-End Procedures

Review of:

- Accounting statements
- Annual Governance and Accountability Return (AGAR)

- Supporting documentation
- Compliance with statutory deadlines

7.10 Governance and Transparency

Review of:

- Standing Orders
- Councillor interests
- Publication requirements
- Website transparency compliance
- Minutes and decision-making processes

7.11 Information Governance and Cyber Security

Review of:

- GDPR arrangements
- Data protection controls
- Use of '.gov.uk' email accounts
- IT security awareness
- Personal device (BYOD) arrangements where applicable

8. Audit Methodology

Internal audit work may include:

- Sample testing
- Document inspection
- Review of procedures
- Verification checks
- Interviews and discussion
- Examination of records and controls

Testing levels shall be proportionate to the Council's size, risks, and activities.

9. Reporting

The Internal Auditor shall provide written reports to the Council detailing:

- Work undertaken
- Findings
- Recommendations
- Areas requiring attention
- Overall assurance opinion where appropriate

Reports shall be considered by Full Council.

10. Follow-Up Actions

The Council shall consider and respond appropriately to audit recommendations.

The Clerk/RFO shall report progress on agreed actions where required.

11. Access to Information

The Internal Auditor shall be provided with reasonable access to:

- Financial records
- Policies and procedures
- Minutes and reports
- Supporting documentation
- Electronic systems where necessary

Access shall be subject to confidentiality and data protection requirements.

12. Relationship with External Audit

Internal audit forms part of the Council's wider assurance framework and complements external audit arrangements.

The Internal Auditor shall not replace the role of the external auditor.

13. Review of the Internal Audit Plan

This Internal Audit Plan shall be reviewed annually by the Council to ensure it remains appropriate to:

- The Council's activities
- Financial risks
- Governance arrangements
- Legislative requirements

14. Adoption

Adopted by Treverbyn Parish Council on: