Melton Constable Parish Council

Annual review of the Effectiveness of Internal Audit

The Accounts and Audit Regulations 2003: (as amended by the accounts and Audit (Amendment) (England) Regulations 2006) –

'Internal audit
…. A relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices'.

Scope:
The purpose of internal audit is to review whether the systems of financial and other control are effective; neither the internal nor the external auditor can be expected to look for fraud. The internal auditor does not give an opinion on the accounts, but is required to review controls and give recommendations.

The internal auditor is required to review the completeness and accuracy of the council's accounts, policies and website for the year, and to carry out a sample testing from the accounts to supporting documentation. The auditor shall also review payroll and VAT for reasonableness.

The internal auditor will discuss his findings with the responsible financial officer and will then write a report on his findings to the Parish Council. In the case of a serious problem the auditor will report directly to the chairman. Recommendations from the report will be recorded in the minutes and any action taken will be noted.

Independence:
The auditor shall not have any other role or employment within the council and the council confirms that this is the case.

The auditor will report under his own name and will address his report to the council.

Competence:
The internal auditor shall be competent to carry out the work. He should have an understanding of the accounting process, an understanding of the role of internal audit in reviewing systems, an awareness of risk management issues and an understanding of the accounting requirements, legal framework and powers of local councils.

Internal controls:
The council shall carry out an annual review of its system of internal control and of its financial risk management. The review of internal audit shall be approved by the full council and by the responsible financial officer.

Signed: Dave Carter
Chairman
Dated: 4th March 2026

Signed: Amanda Yacoubian
Responsible Financial Officer
Dated: 4th March 2026