



St Just in Roseland Parish Council

Internal Audit Policy

Legislative Framework:

- Audit Commission Act 1998 (Section 14)
 - The Accounts and Audit (England) Regulations 2011 (SI 2011/817)
-

1. Purpose

The purpose of this policy is to ensure that the Parish Council maintains a **sound and effective system of internal control** in accordance with the **Accounts and Audit Regulations** and recognised **proper practices**.

This internal control framework supports the integrity of the Council's financial management, promotes accountability, and ensures the safeguarding of public funds.

2. Objectives

The objectives of the internal audit and control system are to:

- Verify the accuracy and reliability of the Council's accounting and financial records.
 - Ensure compliance with all applicable laws, regulations, and codes of practice.
 - Safeguard Council assets and prevent loss through error, fraud, or corruption.
 - Promote efficiency, effectiveness, and transparency in financial administration.
 - Provide independent assurance that financial management and governance arrangements are sound.
-

3. System of Internal Control

The **Finance Committee** shall be responsible for maintaining an adequate system of internal control, including measures designed to prevent and detect fraud and corruption. The Committee shall ensure that the system remains effective through regular review and monitoring.

The system of internal control shall include the following key elements:

a) Compliance and Governance

The Finance Committee shall take reasonable steps to ensure there are no matters of actual or potential non-compliance with laws, regulations, or codes of practice that could have a significant effect on the Council's ability to conduct its business or manage its finances.

b) Safeguarding Public Funds

The Council shall make proper arrangements and accept full responsibility for safeguarding public money and resources in its charge. This includes ensuring that banking, investment, and expenditure arrangements are properly authorised and monitored.

c) Maintenance of Internal Audit

The Finance Committee shall maintain throughout the year an adequate and effective system of internal audit of the Council's accounting records and control systems.

The internal audit shall be carried out in accordance with proper practices set by the Joint Panel on Accountability and Governance (JPAG).

d) Independent Review

An **independent internal auditor**, appointed annually by the Council, shall review the Council's systems of internal control, risk management, and governance.

The internal auditor must be competent, independent of the Council's operations, and free from conflicts of interest.

4. Audit Scope and Frequency

The internal audit shall cover, but not be limited to:

- Financial management and budgeting
- Income and expenditure control
- Bank reconciliations
- Payroll and employment records
- Asset management and insurance
- Compliance with standing orders and financial regulations
- Risk management and data protection compliance

Internal audit reviews shall be conducted **at least annually**, with interim checks where appropriate.

5. Reporting and Action

The internal auditor shall prepare a written report summarising findings, conclusions, and recommendations.

- The report shall be presented to the **Finance Committee** for review and action.
- The Committee shall ensure that any necessary corrective actions are implemented promptly.
- A summary of the internal audit findings shall be reported to the **Full Council** and minuted.

The internal audit report shall also inform the Council's **Annual Governance and Accountability Return (AGAR)**.

6. Review of Policy

This Internal Audit Policy shall be reviewed **annually** by the Finance Committee to ensure it remains compliant with current legislation and good governance practices.

Amendments shall be approved by the Full Council.

Approved by: St Just in Roseland Parish Council

Adopted on: 3rd November 2025

Review Date: November 2026