

To all councillors

2010/11 REVIEW OF INTERNAL AUDIT PROCEDURES

The Audit Commission now requires all councils to review their internal audit system and produce an internal audit plan. The review should consider

1. whether the scope of the internal audit is adequate and the Audit Plan Terms of Reference have been approved by the Finance Committee
2. whether the internal auditor is sufficiently independent
3. whether the internal auditor is sufficiently knowledgeable about parish council finance systems
4. whether councillors understand their responsibility to review financial controls
5. whether audit planning and reporting are adequate
6. whether the audit plan takes account of risk and has been approved by Council

I suggest that a formal risk assessment policy is adopted and an audit plan agreed annually (drafts attached.) I also attach draft terms of reference for individual audit policies.

Clerk to the Council