Weston Longville Parish Council
Internal Audit Policy

Purpose
This policy sets out how the Parish Council will appoint and manage an internal auditor and establish a clear letter of engagement, in order to comply with statutory requirements and proper practices.
Under the Accounts and Audit Regulations 2015, the Council must:
Conduct an annual review of the effectiveness of its system of internal control; and
Prepare an Annual Governance Statement.

Scope
This policy applies to the selection and appointment of an internal auditor, the internal audit engagement process, ongoing review of internal audit effectiveness and actions arising from audit reports

Principles of Internal Audit
The Parish Council will ensure that its internal audit arrangements are:
Independent.
The internal auditor must have no involvement in, financial decision-making, day-to-day financial management or preparation of accounts or financial records.
The following cannot act as internal auditor.
The Clerk or Responsible Financial Officer (RFO), any serving councillor, close associates or family members of officers or councillors, any contractor providing financial services to the Council.
Independence must be reviewed annually.

Competent
The internal auditor must demonstrate appropriate knowledge and skills, including, understanding of bookkeeping and accounting processes, awareness of internal audit as a systems review function, knowledge of risk management and internal controls, familiarity with governance and legal frameworks for smaller authorities.
Awareness of, Model Standing Orders, Financial Regulations, VAT and PAYE/NIC requirements
Where applicable, competence must include accrual accounting knowledge.
Evidence may include, references from similar authorities, relevant experience, professional background

Appointment Process
The Clerk will, Identify potential providers, assess independence and competence, consider references and experience. Asertain if the provider has capacity.
Approval of appointment is by formal Council resolution and the decision in recorded in the minutes. There is no requirement to rotate auditors, but independence must be reviewed annually.

Letter of Engagement
A formal Letter of Engagement must be agreed before work begins.
The letter of engagement will include:

Roles and responsibilities, scope of internal audit work, responsibilities of the auditor and the Council, audit planning and timing, areas to be reviewed, reporting requirements, format and timing of reports - annual internal audit report.
Rights of access to all records, documents, and information, access to officers, period of engagement, duration of appointment, renewal arrangements, remuneration, fees and payment terms, any other provisions, confidentiality, data protection (GDPR compliance) and insurance requirements.

Provision of Information
The Council will provide full and timely access to all requested documents, supply explanations and supporting information as required, ensure records are complete and up to date, clearly note the meeting that the AGAR is intended for signing.
The internal auditor is entitled to inspect all relevant documentation.

Internal Audit Process
The internal audit will review the effectiveness of systems of internal control, assess risk management and governance arrangements, support completion of the Internal Audit Report for the AGAR
The audit should focus on systems and controls, not detailed transaction checking alone.

Reporting and Actions
Internal Audit Reports
The internal auditor will provide, prompt completion of the AGAR requirements, a written report identifying findings and any recommendations for improvement.

Council Responsibilities (Assertion 7)
The Council will consider all audit findings, agree appropriate corrective actions, record decisions in meeting minutes, monitor progress against an action plan and publish the auditors report on the website.

Annual Review of Effectiveness and descision to re-appoint.
The Council will conduct an annual review of internal audit effectiveness.
This review will be evidence-based and may include, previous review outcomes and action plans, internal audit reports and plans, external audit reports, any other relevant reviews
The review will assess, quality and scope of audit work, independence and competence, value and effectiveness of the audit process.

Data Protection
All internal audit work must comply with the General Data Protection Regulation (GDPR), particularly where personal data is involved.

Review of Policy
This policy will be reviewed annually, or when there are changes in legislation or guidance.

DC Based on Proper Practices and SAPPP Guidance. 1-2026
Adopted: 2-2026