

South Hykeham Parish Council

Review of effectiveness of internal audit

The internal auditor is properly appointed with a job description and letter of appointment outlining the scope of audit work she is required to undertake.

The current internal auditor is Rachel Popplewell.

The revised terms of reference were approved by full council on 14th May 2025 and will be reviewed again in Mar 2026.

The internal auditor should have no role within the council and should be someone who whilst they may not have any financial qualifications should be believed to be competent and independent of the council. Reports are made in his/her own name to the council and he/she should have direct access to those charged with governance ie RFO and Chairman of Parish Council.

He/she is required to carry out under the direction and management of the Council (or as may be delegated to a Committee or to the Clerk) the following tasks:

- To review the accounting and internal control systems, noting that their establishment and alteration is the responsibility of the Council
- To report to Council at least once a each year on the results of such tests of the system that are carried out. This shall be in the form of a written report which will be presented to the next full council meeting following his/her inspection and report.
- To report to Council in the format required in the Annual Return, as published by the Audit Commission each year
- To carry out test checking of the books, accounts and vouchers as required
- The internal audit plan should properly take account of corporate risk and should be approved by the full council at least once a year. The responsibilities of council members

should be understood with training of all members of the council to be undertaken as necessary.

- The responsibility for the council and internal audit should be defined in relation to internal control and should be reviewed annually. Work procedures of the council in relation to financial matters should be annually reviewed.
- The planned internal audit work should be based on risk assessment processes and should be reviewed at least once a year.
- The effectiveness of the internal audit should be reviewed annually and approved by full council.
- When formulating the annual audit plan changes on national agenda should be considered. The internal audit will maintain an awareness of new developments in the services, risk management and corporate governance and the plan should meet the requirements of such developments.
- Positive management responses should be made to recommendations and follow up action taken where called for

The Internal Auditor is expected to be independent of the operations of the Council and competent in the understanding of the law as applicable to Local Councils, of simple accounting and basic PAYE and VAT requirements. Any change in personal circumstances that may cause a question over the independence requirement must be reported to the Council.

The Internal Auditor will have direct access to a meeting of the full Council after appropriate notice (except in an emergency), to deliver any report in person should it be considered necessary.

The Internal Auditor cannot be anyone with a close relationship to any serving member of the Council or any serving employee of the Council.

Approved at the Parish Council meeting of 14th May 2025.

Signed.....Chairman.....