

THURSTON PARISH COUNCIL

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CLERK TO THE COUNCIL - Paper prepared by: Mrs Vicky Waples, Clerk to the Council
For consideration by full Council at its meeting of 3rd March 2021 following the Policy and Resources Committee Meeting of 12th February 2021

Aim: to approve the recommendation made to full Council at its meeting on 3rd March 2021 by the Policy and Resources Committee on the appointment of the Council's Internal Auditor

1. A smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'
2. Proper practices states that internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. The purpose of internal audit is to review and report to the authority on whether its systems of financial and other internal controls over its activities and operating procedures are effective.
3. The key principles an authority should follow in sourcing an internal audit provider are independence, competence and proportionate:
 - The internal audit function must be independent from the management of the financial controls and procedures of the authority which are the subject of review.
 - The person or persons carrying out internal audit must be competent to carry out the role in a way that meets the business needs of the authority. It is for each authority to decide, given its circumstances, what level of competency is appropriate, and to keep this issue under review.
 - When securing an internal audit service, the parish council should make sure that it is proportionate to the needs, size and the circumstances of the authority.
4. The effectiveness and scope of the Internal Audit being offered by Mr Brown was covered under Agenda Item 5d of the meeting of the Policy and Resources Committee on 12th February 2021 and the committee agreed that in terms of independence, competence and the scheduled work, the requirements were being adequately met.

Agenda Item 11e – 03.03.21

Proposal: Council to accept the recommendation of the Policy and Resources Committee and agree to the appointment of Mr Trevor Brown CPFA to carry out the internal audit on Thurston Parish Council for the year ending 31st March 2021 at a cost of £260 plus pro rata travelling expenses at the rate of 45p per mile.

Notes:

1. The audit fee, despite the high-income Thurston has attracted this year, would normally take the Council into a higher audit fee band. However, the Internal Auditor has kept the fee at the same level as the previous year. This is due to the internal auditor being familiar with the system of governance and internal control measures.
2. Provided that restrictions allow and being mindful of social distancing requirements, the Internal Audit will take place at the Parish Council's Offices with Mr Brown and the Clerk being present only. A provisional date of Monday 26th April has been set.
3. For the year ending 31st March 2021 the Audit Fee for the Intermediate Assurance Audit Review as carried out by the External Auditor on Councils with income or expenditure exceeding £200,000 will be £800 (£400 for 2019/2020).