

LEWKNOR PARISH COUNCIL

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Assessment of Internal Audit effectiveness 2025

The Council is required to confirm (and the Chair & Clerk to certify) that 'we have maintained throughout the year an adequate and effective system of internal audit of the council's accounting records and control systems and carried out a review of its effectiveness' and that we 'arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the council and have reviewed the impact of this work'.

Q	A
Internal Auditor: a. Has the PC approved his/her Terms of Reference? b. Is she 'independent'? c. Is she competent?	Our Internal Auditor listed the documents she <u>wished</u> to see and we provided them. Yes. Yes. She is a member of the Internal Auditors' Forum approved by OALC; she is also a member of SLCC and a parish council clerk.
Is the Internal Audit Plan: a. Appropriate? b. Approved?	Yes. We are so small that we don't need a 'plan'. But we do need to be able to demonstrate a more hands-on approach, so the RFO presents a reconciliation of the Parish accounts at every monthly meeting and one councilor oversees the finances. Yes. The RFO compiles it and presents the PC with the outcome.
Is there a formal report to the Council?	Yes. And the internal auditor signed the AGAR (the Annual Return). The council is informed and the process minuted.
Is the Council's financial approach 'risk based'?	Yes. We have a Risk Assessment that ensures LPC won't suffer from embezzlement: all invoices are emailed to all councilors and all payments, whether made online or by cheque, have to be approved by two councilors. LPC's finance councilor has access rights to view and check LPC's bank accounts but not to pay bills. The Clerk can set up payments but not authorise them.
Are the financial arrangements understood?	Yes.
Are the audit arrangements properly 'resourced'.	Yes. The internal auditor (and anyone else) can have access to whatever he/she wants/needs.
Value added?	The Internal Audit points out error/suggests alternative accounting methods/procedures.
Does the internal audit assist the PC in being 'forward looking'?	Yes. We don't do much future planning but when projecting the budget we do have the opportunity to fund any anticipated projects.
Is the process 'challenging'? Does the audit process 'encourage greater ownership of the control environment'?	Yes.