

St.Pinnock Parish Council

Annual Audit Plan

**Issue 1
March 2018**

The purpose of this report is to present Members with the Annual Internal Audit programme of work as required by best professional practice in accordance with Comprehensive Performance Assessment requirements.

**ST.PINNOCK PARISH COUNCIL
ANNUAL AUDIT PLAN**

INDEX

1.	PURPOSE OF THE REPORT	1
2.	INTRODUCTION	1
3.	FORMULATION OF THE PLAN	1
4.	RISK ASSESSMENT STRATEGY.....	1
5.	PROBITY, FRAUD AND CORRUPTION	2
6.	RISK MANAGEMENT PLAN	2
7.	INTERNAL AUDIT	2
8.	SUMMARY OF AUDIT PLAN	3
9.	FINANCIAL IMPLICATIONS	4
10.	EQUAL OPPORTUNITIES.....	4
11.	CONCLUSION	4
12.	RECOMMENDATION	5

This Annual Audit Plan was adopted by the Council at its Meeting held on [.....]

1. Purpose of the Report

To present Members with the Annual Internal Audit programme of work as required by best professional practice in accordance with Comprehensive Performance Assessment requirements.

2. Introduction

In order to comply with best professional practice, we are required to produce a programme of work or audit plan which outlines the likely areas of activity for the coming year. The audit plan also assists in discharging statutory responsibilities in respect of the proper administration of the Council's administrative, procedural and financial affairs.

3. Formulation of The Plan

The annual plan has been compiled on the basis of an assessment of the risks facing the Parish Council. The requirement to produce a plan of work is described in the CIPFA Code of Practice for Internal Audit in Local Government. The Accounts and Audit Regulations 2003 include the statutory requirement for the provision of an adequate and effective internal audit function and the regulations specify that compliance with the CIPFA code is required to demonstrate an appropriate standard of audit provision. The audit plan is designed to run parallel with, and in conjunction with, the Parish Councils Risk Management Plan.

4. Risk Assessment Strategy

In formulating this plan each auditable area has been risk assessed and the appropriate action required to minimise that risk has been advised/taken. The propensity for this Council to explore different

models and partnerships to provide services means that risk has to be assessed in a flexible way. This approach has the effect of taking a wider view of risk rather than primarily financial risks. The consideration of non-financial risk is consistent with the requirement for the authority to produce an annual statement of internal control.

5. Probity, Fraud & Corruption

The Audit Plan, Risk Management Plan and Internal Audit highlight the need to take appropriate measures to ensure that Parish Councillors, the Council as a body and the Clerk, undertake their duties in a legal and professional manner. The Councillors Code of Conduct, Standing Orders and Financial Regulations, Complaints Procedure, Publication Scheme and adequate Insurance Cover, reviewed and approved annually, ensure administrative, procedural and financial compliance.

6. Risk Management Plan

A risk management plan is employed by the Parish to identify risks, define the appropriate action which should be taken to minimise those risks and document that the action has been completed. It is evident that in the progressive environment, in which the Council operates, risks are prone to change and the plan is not intended to be regarded as rigid. Areas for review can and will emerge in due course. The relative risks for emerging issues will be constantly assessed and the audit plan reviewed or amended as required.

7. Internal Audit

Internal Audit is undertaken annually, by an independent and competent party appointed by the Parish Council to ascertain that the changing risks and priorities of the Parish Council are recognised and dealt with in an appropriate manner. The main purpose of the Internal Audit is to ensure that:

- The fundamental systems of the Parish Council are audited every year.
- All other activities are audited on a regular basis.

- The proposed work of the Parish Council is in accordance with the Council's aims and objectives.

The aim of an internal audit is to provide an assurance function which gives an independent and objective opinion to the Council on its control environment, contributing to the proper, economic, efficient and effective use of the Council's resources by examining and evaluating the adequacy of risk management, control and governance processes, and reporting objectively on their effectiveness in the achieving the Council's objectives. The Internal Audit provides assurance on: the reliability and integrity of information; the safeguarding of the Council's assets by means of the verification of assets and liabilities; the regularity of financial transactions; and compliance with rules and regulations, in particular Financial Regulations and Procedures, Contract procedure rules, and anti-fraud and corruption measures. The internal auditor will complete a full audit trail to ensure that all requisite documentation is present and available, that all actions whether administrative, procedural or financial are undertaken legally and in compliance with all relevant local government legislation and guidelines.

8. Summary of the Audit Plan

The following represents a summary of the annual audit plan for the Parish Council year 2017/18:

	DATE
Present Audit Plan to Council for approval for the forthcoming year	April
Review all documents for adoption at the May Meeting for possible alteration/amendment/updating-prior to adoption at the Annual Meeting	April
Adopt Standing Orders/Financial Regulations/Complaints Procedure/Publication Scheme/Risk Management Plan	May
Accept Financial Statement for previous Financial Year end including Quarterly Bank Reconciliation Statement to 31/3/2016	May/
Review Insurance Cover and amend as necessary prior to renewal	April/May

Accept/Approve and take appropriate action in relation to Internal Auditors report – if any	June
Approve Financial Statement for submission to External Auditor	May/June
Approve Quarterly Bank Reconciliation Statement to 30/6/15	August
Approve Quarterly Bank Reconciliation Statement to 30/9/15	November
Approve Quarterly Bank Reconciliation Statement to 31/12/16	February
Budget Meeting/Set Precept/Request Precept from Cornwall Council	Jan/Feb
Ensure Audit Requirements have been satisfied	Feb/Mar
Confirm appointment of Internal Auditor	Feb/Mar

Any other financial, administrative and procedural items will be dealt with throughout the year as they arise and appropriately documented in the Parish Council Minutes

9. Financial Implications

There are no direct financial implications arising from this report.

10. Equal Opportunities

There are no equal opportunity, human rights or environmental issues arising from this report.

11. Conclusions

The audit plan summarises a programme of work which demonstrates that the Parish Council has made provision to discharge its (Parish Councillors' and the Clerk's) statutory responsibilities.

12. Recommendation

In respect of the provision of the statutory Internal Audit function and in order to comply with best professional practice (including CPA requirements) it is recommended that Members endorse the attached programme of work as the Parish Council recognised

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(.....)**