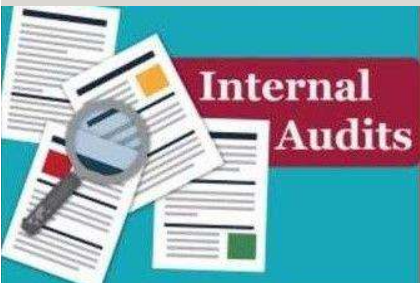


PARISH & TOWN AUDIT SERVICES

PAUL RUSSELL

INTERNAL AUDITOR



Parish and Town Auditing Services

Tel: 07772 657446

Email: audit@patas.co.uk

INTRODUCTION

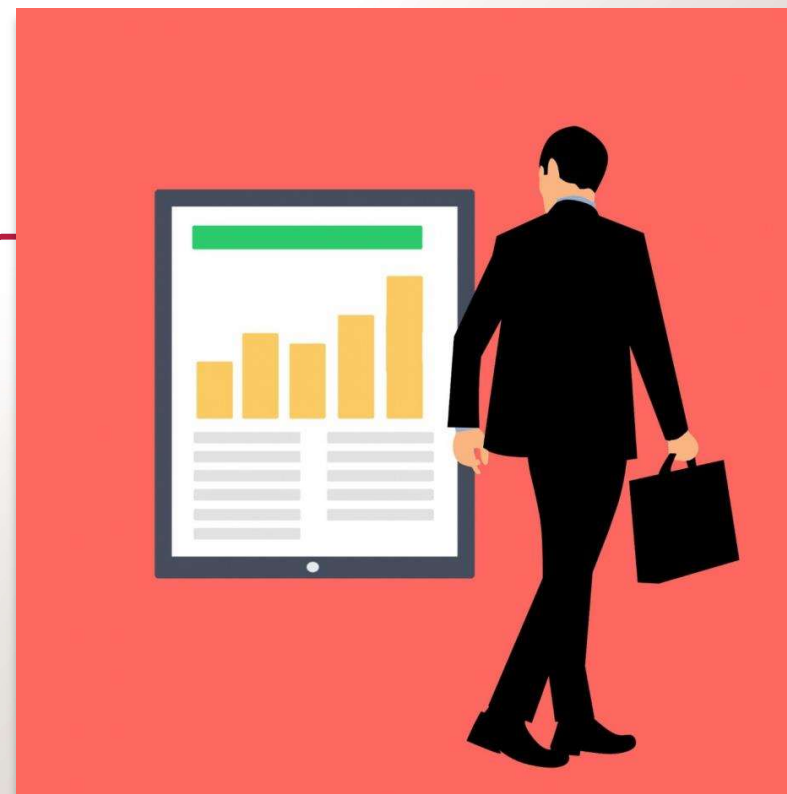
I have worked in the parish council sector since 1990

I have been Town/Parish Clerk at the following Councils:

- Southborough Town Council
- Ludlow Town Council
- Stratton St Margaret Parish Council
- Leominster Town Council
- Chard Town Council
- Dulverton Town Council

Audit Experience:

- Currently audit around 90 Councils of all sizes.
- Clients include Barnstaple Town Council, South Molton Town Council, Bude-Stratton Town Council, Lewes Town Council and Chalford Parish Council.
- Have been RFO at all the Councils I have been Clerk.
- Full understanding of financial and governance requirements
- Am a Member of the Internal Audit Forum.



INTERNAL AUDIT PROCESS

- The Internal Audit will meet all the requirements as set out in the SAPPP Practitioners' Guide 2025.
- Council will be required to sign a letter of Engagement.
- A report with recommendations will be provided on the completion of the audit.
- Audits can be carried out either remotely or onsite.
- For larger Councils over the £200,000 threshold, it is recommended that an interim audit in the autumn be carried out in addition to the year end internal audit.



EXAMPLE OF INTERNAL AUDIT REVIEW

- **B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.**
- Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the SOs and FRs which should be based on the latest version.
- Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents).
- Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods/ services delivery and approval for payment; ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation.
- Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.
- Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements.

LEGAL BITS

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts.

An authority must appoint an internal audit provider that is independent and competent.



WHAT SAPPP SAYS ABOUT INTERNAL AUDITOR REQUIREMENTS

There is no requirement for a person providing the internal audit role to be professionally qualified, however essential competencies to be sought from any internal audit service should include:

- Understanding basic book-keeping and accounting processes; where an authority exceeds the £200,000 threshold, this understanding must include accrual accounting and balance sheets;
- Understanding the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of management;
- Awareness of relevant principles and practice of financial and other risk management;
- Understanding proper practices in relation to governance and accounting requirements within the legal framework and powers of smaller authorities, as set out in Sections 1 and 3 of this guide (knowledge of which is a prerequisite);
- Awareness of the most recent model Standing Orders and model Financial Regulations as published by NALC and how they are adopted by authorities;
- Awareness of the relevance of VAT and PAYE/NIC rules as applied to the authority;
- For larger authorities, a clear understanding of the risks and controls associated with 'cut off' procedures, particularly with respect to revenue-generating activities.



If appointed as your independent internal auditor, PATAS will provide a general advice service throughout the year to help its clients to meet their legal duties especially with regards to finance and governance.



QUESTIONS

