2026

LOCAL COUNCIL AWARD SCHEME GOLD

WOOTTON PARISH COUNCIL

Internal Audit Specifications and Terms of Reference

3 Longden Close
Haynes
Bedfordshire
MK45 3PJ

Clerk@Wootton-PC.gov.uk

Tel: 07531 930788

Version History

Version	Reviewed at	Approved at
Version 1.00	Annual Meeting of Wootton Parish Council on 11th May 2016	Annual Meeting of Wootton Parish Council on 11th May 2016
Version 1.00	Annual Meeting of Wootton Parish Council on 10th May 2017	Annual Meeting of Wootton Parish Council on 10th May 2017
Version 1.00	Annual Meeting of Wootton Parish Council on 15th May 2019	Annual Meeting of Wootton Parish Council on 15th May 2019
Version 1.00	Annual Meeting of Wootton Parish Council on 5th May 2021	Annual Meeting of Wootton Parish Council on 5th May 2021
Version 1.00	Annual Meeting of Wootton Parish Council on 11th May 2022	Annual Meeting of Wootton Parish Council on 11th May 2022
Version 1.00	Annual Meeting of Wootton Parish Council on 17th May 2023	Annual Meeting of Wootton Parish Council on 17th May 2023
Version 1.00	Annual Meeting of Wootton Parish Council on 8th May 2024	Annual Meeting of Wootton Parish Council on 8th May 2024
Version 1.00	Annual Meeting of Wootton Parish Council on 14th May 2025	Annual Meeting of Wootton Parish Council on 14th May 2025
Version 1.00	Annual Meeting of Wootton Parish Council on 13th May 2026	Annual Meeting of Wootton Parish Council on 13th May 2026

To be reviewed at each Annual Council Meeting

Purpose of Internal Audit

Internal Audit is a function of management and forms part of the Parish Council's internal control mechanisms. By the use of an independent internal audit service, assurance is gained regarding the areas examined.

Internal Audit Process

1. Internal Auditor to be appointed by Wootton Parish Council in December, annually.
2. The internal auditor is to be advised of:
   - the Internal Audit Specification.
   - the Internal Audit Planning, Reporting and Review Policy.
   - contact details for Wootton Parish Council members and staff.
3. Timely arrangements to be made with the appointed Internal Auditor to inspect the specified documents.
4. The Internal Auditor prepares their independent report which is to be submitted in writing to the Clerk to the Council in their own name.
5. The Internal Auditor completes and signs the statement within the Annual Return as legally required to do so.

Internal Audit Specification

The following areas are required to be reviewed/checked:

- Year-end summary of accounts will be checked to ensure accounts are appropriately prepared and presented, and that Section 1 of the External Audit Return is completed in line with the Auditors requirements.
- Cashbook will be checked to ensure appropriate records of individual transactions have been kept.
- Year-end bank reconciliation will be checked to ensure final cashbook balance reconciles with year-end bank statement balance, and any difference is accounted for.
- A selective audit trail will be carried out on payments, to ensure they are supported by invoices, expenditure is approved, and VAT is accounted for.
- The level of risk management/insurance applied by the Parish Council will be assessed.
- The budget process for setting the precept will be assessed.
- Reserve levels will be assessed in line with the External Auditors recommendations.
- A selective audit trail will be carried out on income received to ensure it is properly recorded, priced and banked.
- A selective audit trail will be carried out on salaries to employees to ensure they are approved, and PAYE is in operation.
- The asset register will be checked to ensure it is up to date and regularly maintained.

Terms of Reference

1. The internal audit is to cover the financial year of the Parish Council.
2. The internal audit is to be completed by a suitably qualified person who acts ethically with integrity and objectivity and is independent of the Parish Council.
3. Internal audit report to be reviewed annually by the Parish Council.
4. Action plan to be drawn up to respond to any points raised.