

# STOKE PARISH COUNCIL



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## THE AUDIT REGIME

Legislation: Account and Audit (Amendment) Regulation 2006.

Regulation 6 imposes a duty to:

- Maintain an adequate and effective system of internal audit of accounting records and of the system of internal control in accordance with proper practices in relation to internal control
- Review the effectiveness of the council's system of internal audit annually
- The findings of the review to be considered as part of the Council's system on internal control.

Regulation 4

- Sets out responsibility for financial management and a sound system of internal control
- Imposes a duty to carry out an annual review and include a statement on internal control with the published accounts
- The findings of the review must be considered by a committee or the Full Council

The Internal Auditor.

- Appointed by the Parish Council
- Reviews whether the systems of financial and other control are effective
- Must be sufficiently independent of the financial controls and procedures that are being reviewed
- Check previous audit reports
- Read the minutes
- Check Standing Orders and Financial Regulations
- Look at the Councils approach to Risk Management, including insurance policy and internal controls backing up of computer records
- Check the Councils Statement on Internal Control
- Look at the Council Asset Register
- Check the calculation of annual precept and the budgetary controls carried out during the year
- Look at Receipts. Payments. Payroll. VAT. Bank reconciliations
- Must be competent to carry out the role
- There is no requirement for the auditor to be professionally qualified

This policy was agreed by the full council on 17<sup>th</sup> March 2021.

Signed: Cllr B Stone (Chairman)