



The Queen's Hall
High Street
Cuckfield
West Sussex
RH17 5EL

01444 454276

Annual Performance Review of the Effectiveness of the Internal Audit 2026/2027

Scope of responsibility

Cuckfield Parish Council's Financial Regulations state the following:

Extract of the Financial Regulations:

2. Risk management and internal control

2.1. The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.

2.4. At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.

2.5. The accounting control systems determined by the RFO must include measures to:

- ensure that risk is appropriately managed;*
- ensure the prompt, accurate recording of financial transactions;*
- prevent and detect inaccuracy or fraud; and*
- allow the reconstitution of any lost records;*
- identify the duties of officers dealing with transactions and*
- ensure division of responsibilities.*

Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. The system of internal control is based on an on-going process, designed to identify and prioritise the risks

Reviewed and adopted at the Full Council meeting of 22nd October 2026

to the achievement of the Parish Council's policies, aims and objectives, to assess the likelihood of those risks being realised and the impact thereof, and to manage them efficiently, effectively and economically.

System of internal control

Cuckfield Parish Council:

- elects a Chair (annually at the May meeting) who is responsible for the smooth running of meetings and transaction of business.
- has adopted Standing Orders and Financial Regulations that contain the procedures and processes for conducting the Parish Council's business. These are reviewed annually and updated as and when advised.
- annually reviews its obligations, objectives and aspirations and sets its budget for the following financial year at its December and January meetings (F&GP and Full Council).
- annually sets the Precept for the following financial year at its December and January meetings (F&GP and Full Council).
- conducts monthly bank reconciliations, performs quarterly budgetary control reviews and minutes these.
- monitors progress against its aims and objectives annually by receiving relevant reports from Councillors and the Clerk/RFO.
- carries out regular reviews of its internal controls, procedures and processes considering any best practice advice and guidance from the External Auditor, SALC, NALC and the SLCC.

The Clerk & Responsible Financial Officer (RFO)

The Parish Council has appointed a Clerk who acts as the Parish Council's advisor and administrator. The Clerk is responsible for the day-to-day compliance with law and regulations that the Parish Council is subject to, for implementing the Parish Council's decisions and for managing risks. The Clerk is also the Parish Council's RFO and, as such, is responsible for administering the Parish Council's finances.

Risk assessments and management

Cuckfield Parish Council carries out risk assessments in respect of its actions and annually reviews its internal controls, procedures and processes.

Internal Auditor

Cuckfield Parish Council appoints an independent Internal Auditor annually, who reports to the Parish Council on the adequacy of its financial processes, after examining and testing the Parish Council's processes and records.

External Auditor

Cuckfield Parish Council's External Auditors, issue an annual Certificate of Audit based on the submitted Annual Return, which is presented to and approved by the Parish Council.



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Meeting the Standards and Review of Effectiveness:

The Parish Council is required to review the effectiveness of the internal audit annually, in accordance with the Accounts and Audit (Amendments) Regulations 2015. The review considered the following:

Expected Standard	Evidence of Achievement	Yes/No	Areas for Development
Scope of internal audit	Terms of reference re-approved by Full Council each year	Yes	
	Scope of audit work takes into account risk management processes and wider internal control	Yes	
	Examination and testing of the Parish Council's records	Yes	
	The Clerk/RFO ensures all records are available to the Internal Auditor	Yes	
	Terms of reference define audit responsibilities in relation to fraud	Yes	
Independence of internal auditor	The Internal Auditor has direct access to those charged with governance	Yes	
	No advisory or financial connection between the Internal Auditor and the Parish Council	Yes	

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Competence of internal auditor	No evidence that internal work has not been carried out ethically with integrity and objectivity	Yes	
Relationships	Responsible Officer (Clerk) is consulted on the internal audit plan and on the scope of each audit	Yes	All members are encouraged to undertake continual training.
	Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters	Yes	
	The responsibilities of council members are understood; training of members is carried out as necessary	Yes	
Audit planning & reporting	The Audit Plan properly takes account of corporate risk	Yes	
	The Plan has been approved by the Council	Yes	
	Internal Audit has been reported in accordance with the Plan	Yes	

Characteristics of Effectiveness:

Characteristics of Effectiveness	Evidence of Achievement	Yes/No	Areas for Development
Internal audit work is planned	Planned internal audit work is based on risk assessment and designed to meet the council's governance assurance needs	Yes	
Understanding the needs and objectives of the Council	The annual audit plan demonstrates how audit will work	Yes	



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At present it is considered that, in conjunction with the monthly bank reconciliation and the monthly budgetary control review, an interim audit may be conducted alongside the year end audit which will take place after 31st March and before the June Parish Council meeting. The Internal Auditor will report his/her findings to the Clerk/RFO, who will communicate these to the Parish Council at the next meeting. The Internal Auditor also provides the written report of the Annual Return to the external auditor.

Conclusion

The Parish Council has reviewed the effectiveness of the internal audit and is satisfied there are no matters that require attention or modification this year.

Following the recommendations made by the Internal Auditor, Cuckfield Parish Council Annual Review of Internal Controls was reviewed and adopted on 22nd October 2026 and will be reviewed annually at the May meeting.

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