

Annual Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Ecton Parish Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	27 th May 2022
Year ending:	31 March 2022	Date audit carried out:	27 th May 2022

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chairman of the Council:

Thank you very much to the Parish Clerk for supplying me with the information I requested to carry out this Annual Internal Audit. I have emailed the Clerk & spoken on the telephone.

Results

The work completed is identified in the table below and action required is highlighted:

Area of Work	Observations/Points
Adoption of Policies	Key policies were adopted at the March 2022 meeting of the Council
Accounting Records	The Accounts were properly maintained during the financial year and the correct carry forward figure was rolled over. NOTE: the council agreed to the purchase of a bench on behalf of a resident. This item is not yet complete as it has run over the year end, but I ask the Council to ensure it accounts for VAT correctly and invoices the resident for the total amount including VAT. There is a risk of VAT fraud
Asset Register	The Asset Register is an accurate reflection of council owned assets
Bank reconciliations	Bank reconciliations were reviewed and confirmed to be done on a regular basis with due care and attention. Bank balances were confirmed to statements as at the 31 st March 2022
Budget	The process for agreeing the budget was correctly Minuted and followed due process

Earmarked Reserves	There is no evidence in the Minutes of the Council detailing reserves
Insurance	The Annual Insurance policy was reviewed, and cover was agreed with Zurich at the May 2021 meeting
Internal Control	Internal Control is regular and follows due process
Minutes of Meetings	Minutes were reviewed. NOTE: resolutions should not be agreed in Matters Arising; example 842/2022. The item has not been placed on an agenda for consideration and Councillors have not been served with three clear working days
PAYE	Payments to HMRC are being made and follow due process
Precept	The Precept demand was correctly Minuted and followed due process
Risk Assessments	The Parish Council's Risk Assessments were approved at the March 2022 Parish Council meeting
VAT return	The VAT refund was received in April 2021 and correctly entered in the accounts
Website	The website is up to date and conforms to the Transparency Code
Year-end procedure	The procedures for completing the year-end were correct and followed due process

Summary

In my opinion the Council's books and records are in very good order and follow due process in all elements.

I wish the Parish Council a very successful 2022/2023 and look forward to returning in 2023 to carry out the Annual Internal Audit.

Yours sincerely,

Mrs Tina L Charteress CiLCA
Internal Auditor to the Council
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	27,409	24,216
2. Annual precept	12,335	12,335
3. Total other receipts	1,933	1,761
4. Staff costs	3,571	3,520
5. Loan interest/capital repayments	0	0
6. Total other payments	13,890	10,937
7. Balances carried forward	24,216	23,854
8. Total cash and investments	24,216	23,854
9. Total fixed assets and long-term assets	112,933	113,972
10.Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2020-2.pdf>