

Internal Audit Report

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

Name of council:	Welford Parish Council		
Name of Internal Auditor:	Fiona Young	Date of report:	26.04.19
Year ending:	31 March 2019	Date audit carried out:	26.04.19

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 staff and management and not left for internal audit.

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:

I met with the Clerk & RFO to the Council, Mr Ian Kelly, to carry out the annual internal audit. My thanks to Mr Kelly for his hospitality.

Mr Kelly has been in post since September and I understand that this is his first post as Clerk and RFO.

I questioned the Clerk on a number of topics and the minutes and accounts were thoroughly examined.

I have highlighted the following points;

- The minutes of a council meeting should be easily understood when read as a standalone document. I advised the Clerk that Ncalc offer an excellent course on Agenda & Minutes which would be beneficial. Each page of the minutes should be numbered, each page should be initialled by the meeting Chairman when approved with the last page being signed. The Annual Parish Council Meeting should be clearly titled 'Annual'.
- When discussing and resolving the budget and precept, each item should have a clear and separate minute reference. In the case of the budget and precept discussion this year, the precept amount was not minuted.
- I advised the Clerk that a copy of the book Local Council Administration by Arnold-Baker (11th Edition) should be purchased by the Council. This is a key reference item for every Clerk and is used to ensure that the Council does not act Ultra Vires with regards to its spending powers. I also advised the Clerk that he should have a copy of the Jpag document – Governance and Accountability for Smaller Authorities, a Practitioners Guide. This is essential when preparing for the year end and audit.
- I advised that Cq number 414 to D Tebbutt £60.02 was listed in the minutes as £60.00. I asked if this could be retrospectively corrected.

- I advised that the Internal and External Audit reports need to be clearly minuted when received and any actions required should also be minuted. The receipt of the external audit report last year was not minuted but this would have been received during the handover period with the new Clerk.
- The actions required by the Internal Audit report have been done, however, the adoption of the governing documents has not been clearly minuted, it has, however, been completed.

The accounts have been accurately maintained, I am confident that there is a system of Internal Control in place and I have advised the Clerk to minute each time that the Internal Controls Councillor examines the accounts and payments.

I conducted a detailed scan of the minutes and thoroughly examined the accounts, bank reconciliations, internal controls and the year end procedures.

Through these examinations, hard evidence and questioning I tested all areas of management and the delivery of the councils business and functions and am pleased to report that I have found no areas of concern.

Mr Kelly has taken over the Clerkship with no previous experience and is doing a very good job, I am satisfied that any issues that I have highlighted will be addressed with training where appropriate. It is very important that the council supports the Clerk with an appropriate budget for training and the purchase of required reference books.

This report is based on the evidence made available to me. 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. Consequently, the report is limited to those matters set out above.

Yours sincerely,

Miss Fiona Young
Internal Auditor to the Council
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2018	Year ending 31 March 2019
1. Balances brought forward	13059	16025
2. Annual precept	19000	24110
3. Total other receipts	6660	3071
4. Staff costs	3167	4492
5. Loan interest/capital repayments	0	0
6. Total other payments	19527	22640
7. Balances carried forward	16025	16074
8. Total cash and investments	16025	17875
9. Total fixed assets and long-term assets	159966	182714
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 (2019)*. 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-2019.pdf>