

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:	22 April 2022
Year ending:	31 March 2022	Date audit carried out:	Remote April 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.

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 have conducted a thorough review of the documents on the parish council website plus those supplied by the Clerk, Mr Ian Kelly. I would like to thank Mr Kelly for his prompt and efficient help with the audit.

I would like to note the following points –

- In the 2021 Internal Audit I noted that S.137 payments should be in a separate column on the spreadsheet, this is so that they can be easily identified and to make sure that the council does not go above the spending limit. A donation to the Poppy Appeal was made in October 2021 and the payment was not recorded as being s.137. This needs to be actioned going forward and I would expect to see the additional column added into the coming years accounts.
- The approval of the budget and precept should have two separate minute references, the budget must be approved first and then the precept agreed afterwards. This was also mentioned in the 2021 audit report. The progress of expenditure against the budget also needs to be more regularly minuted.
- Care should be taken that decisions are only recorded under specific agenda items. No decisions should be made under 'Matters Arising' or 'For Report Only'.
- It would be of benefit if the Annual Risk Assessment was rather more easily identifiable, it is published as a 'Statement of Internal Controls' which could be confused with other documents of a similar title. It could be useful for the Clerk to have a look through the Practitioners Guide which gives examples of how to produce the annual Risk Assessment.
- The May meeting of the Parish Council is not titled as the Annual Meeting, going forwards this needs to be done so that it is easily identified.

I have reviewed all the payments, receipts, minutes, bank statements and bank reconciliation statements, the asset register and other documents available on the website.

I am satisfied that all internal control objectives have been met and I do not have any concerns.

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 above.

Yours sincerely,



Miss Fiona Young
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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	5985	30233
2. Annual precept	41500	43500
3. Total other receipts	40984	9675
4. Staff costs	7018	7402
5. Loan interest/capital repayments	0	0
6. Total other payments	51218	37671
7. Balances carried forward	30233	38335
8. Total cash and investments	30236	38338
9. Total fixed assets and long-term assets	193738	168918
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>