

# 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:         | 16/04/2021                          |
| Year ending:              | 31 March 2021          | Date audit carried out: | First two weeks of April (remotely) |

*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 and detailed examination of the new parish council website and also the documents sent to me remotely by Mr Ian Kelly, Clerk & RFO. I would like to thank Mr Kelly for his prompt and efficient assistance.

I am really pleased to see that all the points raised in last years audit have been actioned. The new council website is excellent and easy to use, the documents posted are all up to date. The council have adopted a Reserves Policy, Mr Kelly now lists all payments in a clear table in the minutes and there is regular budget reporting and controls checks are completed by the Internal Controls Councillor.

I am satisfied that all internal control objectives have been met although I would like to note the following –

- It would be advisable for the Clerk to list the powers used to make each payment on the table in the minutes, there is a payment of £60 for a Remembrance Wreath that should be listed as s.137 in both the minutes and the payments spreadsheet. The Clerk needs to ensure that there is a separate column for s.137 payments (Local Gov Act 1972, S.137)
- Spending decisions should only be made under specific agenda items, a decision to fit a shield to a streetlight was minuted as agreed during a meeting's public session.
- The Clerk is advised to minute every time that the Internal Controls Councillor checks the invoices, payments and bank statements. I understand that checks are undertaken regularly but they must be minuted.
- The discussion and decision regarding the Budget and the Precept must be clearly and separately minuted.

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

The 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. 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,

A handwritten signature in blue ink, appearing to read 'Fiona Young', with a horizontal line extending to the right.

Fiona Young  
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The figures submitted in the Annual Governance and Accountability Return are:

|  | <b>Year ending<br/>31 March 2020</b> | <b>Year ending<br/>31 March 2021</b> |
|--|--------------------------------------|--------------------------------------|
| 1. Balances brought forward                | 16074                                | 5985                                 |
| 2. Annual precept                          | 27999                                | 41500                                |
| 3. Total other receipts                    | 8906                                 | 40984                                |
| 4. Staff costs                             | 5949                                 | 7018                                 |
| 5. Loan interest/capital repayments        | 0                                    | 0                                    |
| 6. Total other payments                    | 41045                                | 51218                                |
| 7. Balances carried forward                | 5985                                 | 30233                                |
| 8. Total cash and investments              | 5988                                 | 30236                                |
| 9. Total fixed assets and long-term assets | 187574                               | 193738                               |
| 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>