

Internal Audit Report

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

Name of council:	East Carlton Parish Council		
Name of Internal Auditor:	Helen Hoier	Date of report:	18/06/2018
Year ending:	31 March 2018	Date audit carried out:	14/06/2018

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 Peter Taylor (Clerk/RFO) on 14 June 2018 to carry out the year-end audit of the Council. Upon examination of bookkeeping, due process, risk management, budget, payroll, asset control, bank reconciliations and year-end procedures, it is clear that every effort is made to ensure that the Council acts lawfully, transparently and in accordance with proper practices. However, due to the Clerk/RFO's long term sickness absence in 2017/18; some of these functions have not been carried out as effectively by the Council as in 2016/17. The Clerk/RFO has had the full support of the Council and I am satisfied that any issues raised in my report as a result of this situation are being addressed. I am also particularly impressed at Peter Taylor's efficiency in preparing for the audit on his return to work.

The Council has a turnover of under £25,000 and is therefore obliged to comply with the Transparency Code by publishing its financial and governance documents on its website. The Council is not currently eligible to use the General Power of Competence and as such understands that it must ensure it spends within its legal powers (particularly Section 137 under which there were no items of expenditure in 2017/18).

Issues raised in 2016/17:

- Reviewing regularly all governing documents and financial data to ensure compliance when publishing these items in accordance with the Transparency Code.
- Appointing a member who is not a bank signatory as an Internal Controller to verify bank reconciliations.
- Accounting for the VAT element of all expenditure separately when budgeting and in the schedule of payments.

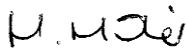
Issues raised in 2017/18:

- It is evident from governing documents and when speaking with the Clerk/RFO that the Council is fully aware of its responsibilities regarding public finances including risk management. However, as the Council did not carry out its annual risk assessment within the financial year, I am required to respond 'no' to internal control objective C.

- As above, it is evident that the Council is also aware of its responsibilities regarding accountability and transparency. However, this could be even more effective by ensuring the following:
 - Addressing as soon as possible any development, technical and/or training issues to enable the Clerk/RFO to easily publish governing documents and financial data on the Council's website in accordance with the Transparency Code.
 - Establishing a rota whereby a different member completes a checklist through the year in order to test specific internal controls and report findings to the Council.

Other than the above matters, the Council appears to be performing well, with its business affairs managed properly by a very competent Clerk/RFO and committed Councillors.

Yours sincerely



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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.

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

	Year ending 31 March 2017	Year ending 31 March 2018
1. Balances brought forward	4,983	5,714
2. Annual precept	5,000	5,050
3. Total other receipts	179	109
4. Staff costs	2,311	0
5. Loan interest/capital repayments	0	0
6. Total other payments	2,137	1,312
7. Balances carried forward	5,714	9,561
8. Total cash and investments	5,714	9,561
9. Total fixed assets and long term assets	1,881	1,881
10. Total borrowings	0	0

A copy of *Governance and Accountability for Smaller Authorities in England (2018)* along with approved changes for 2018/19 is available for free download from:

<https://www.nalc.gov.uk/library/publications/2655-governance-and-accountability-for-smaller-authorities-in-england-2018-sections-1-5/file>

<https://www.nalc.gov.uk/library/publications/2656-jpag-approved-changes-to-pg-for-2018-19/file>