

## 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:	26/06/2019
Year ending:	31 March 2019	Date audit carried out:	21/06/2019

*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 21 June 2019 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.

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 2018/19).

### Issues raised in 2017/18:

- Ensuring the Council's internal control and governance processes are as effective as possible for which suggestions included:
  - Adopting new policies and procedures as well as updating existing governing documents in accordance with changes in legislation and/or recommended good practice.
  - 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.

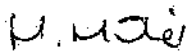
Issues raised in 2018/19:

- 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, especially with regards to accountability, governance and transparency. However, this could be even more effective by ensuring the following:
  - The use of private e-mail addresses for Council business is either replaced by a corporate address or risk assessed in respect of the Council's obligations under the Data Protection Act 2018 and the Freedom of Information Act 2000.
  - The approval of the Council's budget is transacted prior to a separate agenda item setting the precept.
  - The inclusion of each legal power to spend with the relevant budget heading when completing the budgeting process.
  - The date of the relevant meeting is included with the unique page number in the footer of the minutes and the Chairman initials all the preceding pages to his/her signature.
  - The total balance of all accounts is recorded in the minutes when the Council approves the bank reconciliation.

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.

*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



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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	5,714	9,561
2. Annual precept	5,050	5,050
3. Total other receipts	109	171
4. Staff costs	0	3,408
5. Loan interest/capital repayments	0	0
6. Total other payments	1,312	3,956
7. Balances carried forward	9,561	7,418
8. Total cash and investments	9,561	7,418
9. Total fixed assets and long-term assets	1,881	1,881
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>