

Internal Audit Report

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

Name of council:	Sudborough Parish Council		
Name of Internal Auditor:	Claire Tilley	Date of report:	8-6-21
Year ending:	31 March 2021	Date audit carried out:	Most of May

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. 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 below.

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 carried out a Zoom call with the new Clerk, Adam Fox on the 11th of May 2021. Before this I had audited what was available on the website. I subsequently had to request several documents and papers that Adam readily supplied, as there were several discrepancies. This process took some considerable time, so I thank Adam for his patience and assistance

After examining the minutes, policies, due process, governance, book-keeping, risk assessment and asset management, I am satisfied that the council has complied with most of the relevant objectives on the Internal Report, although there are a number with a 'no' response.

B. Although the authority complied with most of its financial regulations, there was no evidence of any Internal Control or Budget monitoring having been performed. This links in with objective I. The council should refer to their Financial Regulations 2.2 and 4.8 and ensure that both happen every financial quarter

I. Periodic bank reconciliations were not carried out. This should be carried out at least quarterly, in accordance with Financial regulations 2.2

K. Although the authority were Exempt due to having neither receipts or payments exceeding £25,000- there was no minuting of approval of Exemption certificate, or evidence of it on the website

N Publication requirements for 2019/2020 AGAR- although many of the documents were available on the website, there was no Certificate of Exemption, Analysis of variances or bank reconciliation. The council should ensure that all documents are published this coming year.

Other recommendations

Objective C- although an annual risk assessment was carried out and Parish Council insurance is in place, only the defibrillator owned by the council (at a value of £1 on the asset register) appears to be insured. It may be that the council decided to not insure the assets, but I would strongly suggest that this is looked into at the next insurance review, if not sooner,

Objective J- although the accounting statements were fundamentally correct, during my transaction spot check, it was noted that the payment for FNH hall hire, minute 21/35 was listed as being chq 200670, where in fact this was a cheque written for a different invoice. There was also no corresponding chq number in the accounts. A payslip for the Clerk did not match the amount in the minutes- presumably, this was a double payment. Attention should be paid to ensure accuracy at all times. I would suggest as well that the Clerk is the correspondence address on the bank statements and is able to have Internet access to the bank account.

It is good practice to state the related legislative powers to pay invoices, and I note that in the minutes, this occurs occasionally. However, there are many gaps corresponding to payments, which to a member of the public, may indicate that there is no Power.

I must state that as Adam has only been in post since the 1st April, all documentation and record keeping was carried out by the previous clerk. Adam has worked hard to ensure that all the figures on the Accounting Statement were correct. I would assume that Adam and the council will take on my recommendations moving forward and thank Adam for his time and assistance during this audit period.

Yours sincerely,



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

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	9,291	12,685
2. Annual precept	10,000	10,000
3. Total other receipts	1,034	809
4. Staff costs	2,098	3,125
5. Loan interest/capital repayments	1,409	1,408
6. Total other payments	4,134	4,848
7. Balances carried forward	12,685	14,112
8. Total cash and investments	12,685	14,112
9. Total fixed assets and long-term assets	906	1,369
10. Total borrowings	19,385	18,438

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>