

Annual Internal Audit Report 2018/19

ECTON PARISH COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2019.

The internal audit for 2018/19 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	<input checked="" type="checkbox"/>		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			<input checked="" type="checkbox"/> NO PETTY CASH
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="checkbox"/>		
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>		
I. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	<input checked="" type="checkbox"/>		
K. IF the authority certified itself as exempt from a limited assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)			<input checked="" type="checkbox"/>
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable <input checked="" type="checkbox"/>
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			Not applicable <input checked="" type="checkbox"/>

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: **11/5/19** Name of person who carried out the internal audit: **NORTHANTS CALC LTD**
INTERNAL AUDIT **MCS TL CHARTERS**
 Signature of person who carried out the internal audit: **SIGNED Tina Charter** Date: **01/05/2019**

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Internal Audit Report

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

Name of council:	Ecton Parish Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	01.05.19
Year ending:	31 March 2019	Date audit carried out:	01.05.19

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:

Thank you very much for supplying me with the necessary documents to conduct the Internal Audit for Ecton Parish Council.

I examined Book Keeping, Due Process, Risk Management, Bank Reconciliations, Internal Control and performed a detailed scan of the minutes via the website. I also sought evidence that previous Audit reports have been actioned.

I found all to be satisfactory but draw the Council's attention to the following comment:

- I am very disappointed to note that despite my Internal Audit reports of 2016, 2017 & 2018 there is still no evidence of any Internal Control carried out throughout the relevant year. This is statutory; it does put the Parish Council at risk and simply put, must happen. Since being your Internal Auditor I have raised this on every report I have submitted to the Council.

I must point out that this is in no way a reflection on the Clerk's performance and I can see from the minutes that Mrs Wong has been trying to organise this on the Council's behalf. The Council not the Clerk, has a responsibility to ensure that it has a sound system of internal control which:

- I. facilitate the effective exercise of its functions and the achievement of its aims and objectives
- II. ensure that the financial and operational management of the authority is effective
- III. include effective arrangements for the management of risk.

I will follow this up at my Internal Audit visit next year and would expect to see robust Internal Controls in situ and regularly reported in the minutes.

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,



Mrs Tina L Charteress CILCA
Internal Auditor to the Council
07818 084231
tcharteress@gmail.com

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	32,810	21,846
2. Annual precept	12,229	12,229
3. Total other receipts	5,432	7,828
4. Staff costs	2,795	3,297
5. Loan interest/capital repayments	0	0
6. Total other payments	25,830	8,969
7. Balances carried forward	21,846	29,637
8. Total cash and investments	21,846	29,637
9. Total fixed assets and long-term assets	109,048	110,683
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>