

Internal Audit Report

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

Name of council:	Holcot Parish Council		
Name of Internal Auditor:	Fiona Young	Date of report:	15.05.19
Year ending:	31 March 2019	Date audit carried out:	15.05.19

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:

I met with the Clerk & RFO to the Council, Mrs Lisa Callan, to carry out the annual internal audit.

I conducted a detailed scan of the minutes and examined the accounts, bank reconciliations, internal controls and the year end procedures.

Through these examinations, hard evidence and questioning I tested all areas of management and the delivery of the councils business and functions.

I would like to make the following observations;

- I advised the Clerk that there needs to be a separate column on the cash book for s.137 payments.
- I am satisfied that there are procedures in place for adequate internal controls however the checks need to be minuted each time they are undertaken by a councillor.
- The reserve balance is quite a lot higher than the precept, I would advise that the council ring fence some of the funds so that it is clear that they have a purpose.

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,

Miss Fiona Young
Internal Auditor to the Council
NCALC Audit Service
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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	15548	26525
2. Annual precept	17500	17500
3. Total other receipts	9657	7175
4. Staff costs	2254	2254
5. Loan interest/capital repayments	0	0
6. Total other payments	13926	22632
7. Balances carried forward	26525	26314
8. Total cash and investments	26525	26314
9. Total fixed assets and long-term assets	105662	106958
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>