

## Internal Audit Report

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

|                           |                               |                         |        |
|---------------------------|-------------------------------|-------------------------|--------|
| Name of council:          | Great Cransley Parish Council |                         |        |
| Name of Internal Auditor: | Julia Tufnail                 | Date of report:         | 3.5.19 |
| Year ending:              | 31 March 2019                 | Date audit carried out: | 3.5.19 |

*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:

#### **Proper Book Keeping**

Cash Book, regular reconciliation of books to bank statements  
Supporting vouchers invoices & receipts  
***All were found to be in order***  
***No S137 and VAT payments were made in this year***  
***The cash book is referenced providing a clear audit trail***  
***Supporting paperwork is in place***

#### **Financial Regulations**

##### Standing Orders & Financial Regulations

Standing Orders are in place  
These should be updated to reflect the latest model (2018) available from NCALC  
Financial Regulations are in place and are the latest model available  
Tenders – There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold  
Appropriate payment controls including acting within the legal framework & with reference to Council Minutes  
Identifying VAT payments and reclamations -  
VAT received from the previous year but none paid this year  
Not Registered for VAT  
General Power of Competence is not in place

#### **Risk Assessment**

Appropriate procedures in place for the activities of the Council  
Reviewed in March 2019 by the clerk for adoption at the May meeting  
Data Protection registration in place  
Data Protection Officer appointed 10.5.18  
Insurance is in place  
Reviewed on 10.5.18

Internal Controls are in place but not minuted  
Fidelity Cover is in place as part of the insurance  
It is recommended that this should be at least year end reserves plus 50% precept

**Transparency Code** Compliance required for smaller Councils with income/expenditure under £25,000  
Great Cramsey is a smaller Council but the website is not working at present

**Budgetary Controls** Verifying the budgetary process with reference to council Minutes and supporting documents  
**Precept 2019-20** Date 10.1.19  
**Precept 2018-19** Date 11.1.18  
Budgetary procedures are in place, agreed by full Council. The need for forward planning and adequate reserves are considered and budget papers are prepared to ensure councillors have sufficient information to make informed decisions.  
Budget does not appear to be monitored and reported to council during the year

**Income Controls** Precept and other income controls are in place  
Income is cross referenced with the cash book and bank statements

**Petty Cash** None held  
**Payroll Controls** PAYE & NI - the clerk is retired  
In compliance with Inland Revenue procedures  
Compliant with Pensions Regulations? Yes

**Asset Control** Asset Register is in place  
Review 11.4.18  
Total Value £72,000

**Internal Audit Procedure** The 2018 Internal Audit report was considered by the council on 10.5.18  
The Internal Auditors were appointed in 11.4. 2018.

### **Additional Comments or Recommendations**

I would like to thank Thelma for her time and assistance today in completing the Internal Audit for the year.

It was noted that the website was not working at present and the Clerk left a message for the councillor who looked after the site whilst I was there. I would recommend that the website is attended to urgently to ensure that the Council complies with the Transparency Code.

I would recommend that the Standing Orders are updated to include the most recent legislation which applies to Parish Councils and a template of these can be obtained from NCALC for tailoring to the Council.

It was noted that Great Cramsey Parish Council will be certifying again this year.

Julia Tufnail  
NCALC Internal Auditor  
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The figures submitted in the Annual Governance and Accountability Return are:

|  | Year ending<br>31 March 2018 | Year ending<br>31 March 2019 |
|--|------------------------------|------------------------------|
| 1. Balances brought forward                | 7576                         | 7801                         |
| 2. Annual precept                          | 5301                         | 5100                         |
| 3. Total other receipts                    | 1617                         | 188                          |
| 4. Staff costs                             | 3870                         | 3942                         |
| 5. Loan interest/capital repayments        | 0                            | 0                            |
| 6. Total other payments                    | 2822                         | 3692                         |
| 7. Balances carried forward                | 7801                         | 5455                         |
| 8. Total cash and investments              | 7801                         | 5455                         |
| 9. Total fixed assets and long-term assets | 27565                        | 72000                        |
| 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>