

Internal Audit Report

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

Name of council:	Barnwell Parish Council		
Name of Internal Auditor:	Julia Tufnail	Date of report:	16.3.19
Year ending:	31 March 2019	Date audit carried out:	16.3.19

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
 I sampled both payments and receipts during my internal audit
All were found to be in order
VAT payments are tracked and identified
S137 payments were not identified in the minutes, as discussed previously

Financial Regulations

Standing Orders & Financial Regulations
 Standing Orders in place
 Financial Regulations in place
 Appropriate payment controls were in place
 However, the powers to act within the legal framework were a little confused
 VAT payments and reclamations were identified
 VAT reclaimed in the year

Risk Assessment

Appropriate procedures in place for the activities of the Council
 However, the general Risk Assessment had not been agreed by the Council within the year. This is noted on the AGAR Internal Audit Report.
 Insurance in place and reviewed
 Internal Controls in place
 Fidelity Cover in place

Transparency Code

Compliance not required for smaller Councils with income/expenditure under £25,000
 Above limits – however, the website needs updating to fall in line with the new accessibility requirements.

Budgetary Controls	<p>I verified the budgetary process with reference to council Minutes and supporting documents</p> <p>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.</p> <p>Budget should be monitored and reported to council during the year.</p>
Income Controls	<p>Precept and other income controls are in place</p> <p>Income is cross referenced with the cash book and bank statements</p>
Payroll Controls	<p>PAYE & NI are in place where necessary</p> <p>Compliant with Inland Revenue procedures and with Pensions Regulations?</p>
Asset Control	<p>Asset Register is in place and was reviewed in March 2019</p> <p>It is recommended that the Green and the other unclear plot of land be assessed for ownership. NCALC are running a course in July about such pieces of land which are common within parishes.</p>

Additional Comments or Recommendations

Proposals to the Council and subsequent Resolutions need to be more clearly defined in the minutes.

It was noted that the Council had recently adopted a training policy for the Council and I would recommend that the Council considers putting their Clerk through the Cilca training with NCALC to ensure that she grows professionally with the ever changing and increasing demands of the clerk's job.

It is also recommended that the Council considers their banking arrangements as the reserves, both earmarked and general, are kept in the current account, not earning any interest. I would also point the council to the Practitioners Guide March 2019 5.13 regarding Reserves.

I would like to thank the Clerk for all her assistance during the Internal Audit.

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.

Julia Tufnail
 NCALC Internal Auditor
 juliatufnail@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	10758	25128
2. Annual precept	8000	9500
3. Total other receipts	20763	52833
4. Staff costs	2217	2475
5. Loan interest/capital repayments	0	0
6. Total other payments	12176	57955
7. Balances carried forward	25128	27031
8. Total cash and investments	25128	27031
9. Total fixed assets and long-term assets	6433	48665
10. Total borrowings	0	9936

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>