

Internal Audit Report

To be read in conjunction with the Internal Audit Report,
part of the Annual Governance and Accountability Return

Name of council:	Flore Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	18.04.19
Year ending:	31 March 2019	Date audit carried out:	18.04.19

*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. It is important to note that managing the council's internal controls is a day-to-day function of the council through its staff and councillors and it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the council in order to detect error or fraud. This report is based on the evidence made available to and seen by me. **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 Sue Halkett, Clerk & RFO on 18 April to conduct the Internal Audit and would thank Sue for her time and assistance during my visit.

I examined the Council's arrangements for the management and control of its business in the areas of book keeping, due process (ie compliance with the proper practices as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control and year-end procedures.

I sought evidence that the previous year's reports from Internal and External Auditors had been properly reported and actioned by the Council; PKF Littlejohn raised no audit issues and the issue raised by me regarding the setting of a deficit budget has been satisfactorily addressed.

As a result of this year's audit I would draw your attention to the following:

- the information displayed on the Council's website is not consistent with the requirements of the Transparency Code. The Financial and Management Risk Assessment and the Asset Register were not available and the 2017/18 AGAR was incomplete. Whilst the Code is advisory for those councils with turnover of between £25,000 and £200,000 pa - mandatory for those council with a sub £25,000 pa turnover - adherence to the principles of the Code, especially the information to be publically displayed is recommended as part of good governance.
- during the course of the year, the Council identified the need for additional storage for documents and other important papers. If the documents need to be retained then self-evidently, the storage facility needs to be safe and secure. The Council might wish to consider using offsite storage at a commercial facility provided for that purpose, perhaps in conjunction with neighbouring councils who have a similar need.

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. This report is based on the evidence made available to me.

I confirm that through examination of hard evidence, information displayed on the website and questioning, I tested all the aspects of the Council's internal controls that I am required to consider and I am satisfied that effective systems to manage, monitor and control the Council's business are in place. Accordingly, I have completed and signed off the Internal Audit Report at page 3 of the AGAR as required.

John Marshall, CiLCA
 Internal Auditor to the Council
 07505 139832
 wjm.marshall1@gmail.com

The figures submitted in the Annual Return are:

	Year ending 31 March 2018	Year ending 31 March 2019
1. Balances brought forward	29,645	23,879
2. Annual precept	30,250	31,700
3. Total other receipts	3,189	7,795
4. Staff costs	10,180	8,288
5. Loan interest/capital repayments	0	25,616
6. Total other payments	29,025	
7. Balances carried forward	23,879	29,470
8. Total cash and investments	23,879	29,470
9. Total fixed assets and long term assets	107,571	108,598
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 (2018)*. It is a guide to the accounting practices to be followed by local councils, and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

https://www.pkf-littlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf