

## Internal Audit Report

Name of council:	Moulton Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	01.05.2020
Year ending:	31 March 2020	Date audit carried out:	01.05.2020

*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:

Due to the Covid-19 pandemic and as a consequence of the legal distancing restrictions imposed by the UK government I carried out the audit remotely, by e-mail and phone. I would thank Jane Austin, Parish Executive Officer and RFO and Claire Connolly, Assistant Clerk for their co-operation and assistance in delivering the audit.

I firstly sought evidence that the previous year's reports from Internal and External Auditors had been properly reported to and actioned by the Council. PKF Littlejohn as External Auditor identified no audit issues and there was clear evidence of those issues identified by me having been properly and thoroughly addressed, a praiseworthy corporate performance attributable to the diligence of Jane and her competent staff working with a team of engaged councillors.

I then 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. This was achieved through examination of the publically available information displayed on the Council's website - policies, procedures, agendas, minutes, financial and other records - and where necessary I requested and was provided with supplementary evidence to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR) that forms part of the Annual Governance and Accountability Return (AGAR). This supplementary information was provided in the form of written answers to the questions raised together with scanned documents, including the Accounting Statements, section 2 of the AGAR.

The Council exhibits good standards of compliance both with regulatory requirements and the proper practices\* and I am pleased to say that there are no audit issues that I need to draw to the council's attention. That is not to say that my audit did not identify matters that warranted enquiry, but the explanations and responses I received to my enquiries were sufficient and satisfactory to resolve all the issues raised.

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. I confirm that I tested all the aspects of the Council's internal controls that I am required to consider. Accordingly, I have completed and signed off the Annual Internal Audit Report at page 3 of the AGAR as required.

John Marshall, CiLCA  
 Internal Auditor to the Council  
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The figures submitted in the Annual Return are:

	Year ending 31 March 2019	Year ending 31 March 2020
1. Balances brought forward	507,962	391,224
2. Annual precept	281,891	294,424
3. Total other receipts	1,175,859	355,329
4. Staff costs	141,580	157,698
5. Loan interest/capital repayments	332,261	85,004
6. Total other payments	1,100,647	317,571
7. Balances carried forward	391,224	480,704
8. Total cash and investments	323,338	395,582
9. Total fixed assets and long term assets	3,263,596	3,154,464
10. Total borrowings	2,053,368	2,027,263

\* The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England (March 2019), A Practitioners' Guide*. Please note that sections 1 & 2 constitute the 'proper practices' that smaller authorities must follow and sets out the appropriate standard of financial reporting. Please note this version applies for 2019/20, however *Governance & Accountability for Smaller Authorities in England (March 2020)* is available for early adoption. The Joint Panel on Accounting & Governance (JPAG) has only clarified proper practices - there have been no material changes. A copy of the guide is available for free download from this page:

<https://www.pkf-littlejohn.com/services-limited-assurance-regime-useful-documents-and-links>