

Internal Audit Report

Name of council:	Moulton Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	27.04.2021
Year ending:	31 March 2021	Date audit carried out:	27.04.2021

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. I would thank Jane Austin, Executive Officer and Claire Connolly, Assistant Clerk for their co-operation and assistance in delivering the audit; having the year-end data available promptly at the end of what has been a difficult year for clerks and councils, together with their quick response to my queries has been very helpful to me.

I firstly examined the publicly available information displayed on the council's website including the council's policies, procedures, agendas, minutes, financial and other records. I sought evidence that the previous year's Internal and External Audit reports had been properly reported to and where necessary acted upon by the Council; they had. I then examined the council's arrangements for the management and control of its business in the areas of bookkeeping, 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 and compliance with the display of information including the exercise of public rights.

I looked particularly at the arrangements that the council put in place in response to the C-19 restrictions, to manage the processes and procedures that would normally require documents including Minutes, invoices etc to be physically examined and / or signed. Where changes have been made, I am satisfied that the modified arrangements have been introduced without any significant diminution in the overall standard of internal controls.

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 AIAR. 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) and the bank reconciliation.

I noted that on occasions this year, the council's administrative staff (Jane and Claire) have themselves purchased items on behalf of the council such as mirrors, printer ink etc, the cost of which has then been reimbursed to them. Whilst I understand and accept the *rationale* for this in the current climate, such arrangements are not ideal for either party

and the council may wish to consider utilising the option allowed for in its Financial Regulations (6.17 and 6.19) to utilise credit / debit cards for such purchases; in my experience this has proved to be a useful additional purchasing facility, especially for larger councils but it is ultimately for the council, in conjunction with its staff to decide whether to adopt that.

I am pleased to be able to report that having tested all the aspects of the council's internal controls that I am required to consider, based on the information made available to me I am satisfied that in all significant respects, the internal control objectives were achieved throughout the financial year to a standard adequate to meet the council's needs. Accordingly, I have completed and signed off the Annual Internal Audit Report 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 2020	Year ending 31 March 2021
1. Balances brought forward	391,224	480,704
2. Annual precept	294,424	322,300
3. Total other receipts	355,329	550,985
4. Staff costs	157,698	171,523
5. Loan interest/capital repayments	85,004	83,572
6. Total other payments	317,571	363,119
7. Balances carried forward	480,704	735,775
8. Total cash and investments	395,582	726,199
9. Total fixed assets and long term assets	3,154,464	3,235,861
10. Total borrowings	2,027,263	2,001,795

The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England, 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. A copy of the current version of the Guide and other useful information is available for free download from this page:

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