

Internal Audit Report

Name of council:	Moulton Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	23.05.2018
Year ending:	31 March 2018	Date audit carried out:	22.05.2018

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. This report is based on the evidence examined and made available to us. It would be incorrect to view internal audit as the detailed inspection of every record and transaction of the Council in order to detect error or fraud. Consequently the report is limited to those matters set out below.

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 carried out the year-end audit of the Council on 22 May. I met with Jane Austin, Parish Executive Officer together with Claire Connolly, Assistant Clerk and would take this opportunity to thank them for their time and assistance. I also met briefly with David Aarons, and Neil Bennett, respectively the recently elected Council Chairman and Vice-Chairman.

I had previously carried out an in-year audit of the Council on 16 January, when 2 audit issues were identified. These related to the absence of a minute to demonstrate that the Council had set a budget and reviewed and re-adopted its risk assessment (both of which are statutory requirements) and there was also ongoing work relating to an issue identified last audit year by BDO as External Auditor relating to the explanation of significant variances in the financial statements (section2) of the 2016/17 Annual Return.

I noted that that the 2 issues identified by me had been properly addressed by the Council and also that the Council had sought help and support from VAT and accounting specialist professionals to resolve the 2016/17 figures. This has resulted in a corrected set of figures that as a result of discussions with PKF Littlejohn, External Auditors will be shown as 'restated' and that will be submitted with and form part of this year's Annual Governance and Accountability Return (AGAR); this accords with the guidance set out in paras 2.9 and 2.10 on page 17 of 'Governance and Accountability for Smaller Authorities in England, A Practitioners' Guide March 2018'.

Through examination of information provided on the Council's website and the inspection of hard evidence and questioning, I tested all of the objectives of Internal Controls set out in the Internal Audit Report, part of the Annual Governance and Accountability Return (AGAR). I am satisfied that in all significant respects, the internal control objectives have been achieved and accordingly, I have completed and signed off the AGAR as required.

Further advice and assistance is available from me if required.

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

	Year ending 31 March 2017	Year ending 31 March 2018
1. Balances brought forward	996,62259	486,563
2. Annual precept	247,790	270,812
3. Total other receipts	1,535,874	800,295
4. Staff costs	119,322	138,539
5. Loan interest/capital repayments	45,120	89,359
6. Total other payments	2,129,540	821,810
7. Balances carried forward	486,304	507,962
8. Total cash and investments	629,910	526,350
9. Total fixed assets and long term assets	2,723383	3,256,574
10. Total borrowings	2,276,452	2,250,444

*The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England (March 2018), A Practitioners' Guide*. 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.pkflittlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf