

Internal Audit Report

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

Name of council:	Weedon Bec Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	16.04.2020
Year ending:	31 March 2020	Date audit carried out:	16.04.2020

*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. 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:

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 between 14 and 16 April. I would thank Sue Halkett, Clerk and RFO for her co-operation and assistance in delivering the audit.

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 also sought evidence that the previous year's reports from Internal and External Auditors had been properly reported to and actioned by the Council; it had but see further comment below. This was achieved through examination of the publically available information displayed on the Council's excellent 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.

There appears to have been a misunderstanding arising from last year's Internal Audit report that risks confusion regarding the respective roles and responsibilities of Internal Audit and the council's Internal Controls Councillor. Despite the title, the Internal Auditor (me) is required by the proper practices* to be totally independent of the council so can never be a signatory to any of your bank accounts. The new Financial Regulation (FR) 6.10 is therefore unnecessary and should be removed as it risks causing confusion. The role alluded to in last year's NCALC Internal Audit Report is that of the Internal Controls Councillor, appointed by the council from amongst its number and whose role and function are already enshrined in FR at 2.2.

This report is based on the evidence made available to me and consequently, the report is limited to those matters set out above. 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 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 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 2019	Year ending 31 March 2020
1. Balances brought forward	123,292	115,860
2. Annual precept	118,144	123,782
3. Total other receipts	51,329	51,161
4. Staff costs	34,943	36,868
5. Loan interest/capital repayments	10,365	10,365
6. Total other payments	131,597	135,268
7. Balances carried forward	115,860	108,302
8. Total cash and investments	115,860	108,302
9. Total fixed assets and long term assets	299,005	330,441
10. Total borrowings	202,733	197,606

*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:

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