

## Northants CALC

### Internal Audit Report – End of year 2019/20

(to be read in conjunction with Annual Internal Audit report in the Annual Governance and Accountability return)

Name of council	<b>Old Stratford Parish Council</b>		
Name of Internal Auditor:	Dianne Isaacs	Date of report:	13/07/20
Year ending:	31/03/20	Date audit carried out:	13/07/2020

*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 council through its staff and management and not left for internal audit. 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. This report is based on the evidence made available to me and 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.**

*Due to COVID -19 the Internal End of year audit will be carried out remotely this year. With so many uncertainties at this present time I trust that you all stay safe and well and remain so in the future.*

**Clerk and RFO :- Derek Everett**

**Cllr T Pateman was elected Chairman of the Council at the Annual May meeting.**

**Cllr N Lawrence was elected Vice Chairman**

**To the Chairman of the Council**

#### **AUDIT**

##### **PKF Littlejohn LLP External Audit – 2018/19**

The year end report was presented to Council at the October meeting and the External Auditor made the following comments :-

**The Authority should ensure that it has regard to the level of Reserves held when considering future Precept requirements. Any earmarked reserves should be considered and formally approved by the Authority.**

The Clerk displayed the Close of Audit notice on the Council's web site.

##### **External audit 2019/20**

The Council has Income/ expenditure exceeding £25,000 and the Clerk will complete Part 3 of the AGAR.

##### **Interim Internal audit 21/11/2020**

The Council noted the Interim Internal Audit report and there were no issues arising from the report.

#### **Internal control**

The Vice Chairman manages the Internal control checks

The Accounts and Audit regulations 2015 requires the Council to annually review the effectiveness of their system of internal control.

#### **ASSET REGISTER**

The Council has purchased additional assets during the year and the Clerk has updated the Asset register to include these assets.

**Total fixed assets at 31.03.2020 ££295,704**

## VAT

VAT has been identified on expenditure items to date and is correctly recorded in the Receipts and Payments ledger. VAT received from HMRC **£10,236.88**

## Due Process

### Risk management

The Council reviewed their arrangements to manage identified risks at the May meeting of the Council and has a risk assessment document in place to achieve their objectives.

### Standing order and Financial regulations

The Council has adopted Standing orders and Financial regulations at their Annual meeting in May 2019 . These have been updated in line with current Accounts and Audit regulations.

## Minutes of Council meetings

The Council meet every month to conduct their business.

I have read through the minutes of Council meetings to date and there were no unusual activities in the minutes during the year.

The minutes are signed by the Chairman of the Council and consecutively numbered.

## Staff costs

The Clerk is the sole employee of Old Stratford Parish Council.

**The Clerks salary £995 per month -£11940 p.annum** has been paid in accordance with Council approval .

PAYE is paid monthly to HMRC .

### Petty cash

Petty cash payments are supported by receipts , approved by the Council and paid as expenses to the Clerk.

## Insurance

The Council carried out a review of their insurance and has agreed a competitive insurance cover - **£1,786.84 for three years cover**

## Council's Precept for 2019/20 financial year

The Precept of **£52,800**, resulted from a detailed budgetary process and agreed with the notification to South Northants Council.

The budget figures are presented to the Council on a regular basis.

## Accounts

**The Council accounts are produced on the correct accounting procedure – Receipts and Payments .**

An audit trail was carried out on several Income and Expenditure transactions at the interim audit and there were no anomalies on these entries.

Expenditure has been agreed by the Council and minuted and there is supporting documentation for each transaction.

## Bank Accounts

There is a reconciliation for each of the Council's bank accounts and there are no unexplained balancing entries in the Accounts ledger and the Banks statements at 31.02.2020

Nationwide Building Society	£ £4841.99
Investment account ( 3 years)	£100,000.00
Treasurers account	£ 49,331.04
Business reserve	£ 325.43
Outstanding cheques	£ 19.96
Total cash and investments at 31.03.3020	<b>£154,478.50</b>
<b>£154,479 is recorded correctly in the AGAR Section 2 (7) (8)</b>	

Dianne Isaacs  
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The figures submitted in the Annual Return are:

	<b>Year ending 31 March 2019</b>	<b>Year ending 31 March 2020</b>
1. Balances brought forward	158804	<b>157635</b>
2. Annual precept	50000	<b>52800</b>
3. Total other receipts	15471	35867
4. Staff costs	11700	11940
5. Loan interest/capital repayments	-	-
6. Total other payments	54940	79883
7. Balances carried forward	157635	<b>154479</b>
8. Total cash and investments	157635	<b>154479</b>
9. Total fixed assets and long term assets	285678	295704
10. Total borrowings	NIL	-

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2019)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2019.pdf>