

## Northants CALC

### End of year Internal Audit Report

(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:	21/05/21
Year ending:	31/03/21	Date audit carried out:	21/05/21

*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.***

***Clerk and RFO :- Derek Everett***

***Cllr T Pateman is Chairman of the Council.***

***Cllr N Lawrence is Vice Chairman of the Council***

**There is 1 Casual vacancy on the Council**

**To the Chairman of the Council**

#### **AUDIT**

##### **PKF Littlejohn LLP External Audit – 2019/20**

The Council had Income/ expenditure exceeding £25,000 and the Clerk completed Part 3 of the AGAR.

Sections 1 and 2 of the AGAR is in accordance with proper practices and no other matters came to their attention giving cause for concern. Note re. Provision of Exercise of Public rights.

The close of audit was published on the Council's web site.

##### **Interim Internal audit 19/02/2021**

The Council noted the Interim Internal Audit report at their March meeting .

##### **Internal control**

The Council reviewed the effectiveness of their system of internal control at the March council meeting

##### **Risk assessment**

In line with Audit and Accounts regulations the Council reviewed and minuted their current Risk assessment in March 2021 .

##### **Standing orders and Financial regulations**

Standing orders and financial regulations have been amended due to the Covid 19 pandemic.

Delegated authority has been given to the Clerk/RFO , the Chairman and Vice Chairman in relation to Financial matters and Council business.

##### **Minutes of Council meetings**

Council meetings are now conducted in line with Regulation 5 /clause 2 of the new Local Authority Act 2020 .

I have read through the minutes of Council meetings to date and there were no unusual activities in the minutes to 31.03.2021.

##### **ASSET REGISTER**

There are no additional assets purchased to 31.03.2021.

**Total fixed assets £296,796 Recorded in AGAR Section 2 (9)**

## Insurance

The Council carried out a review of their insurance premium and has agreed a competitive insurance cover with Came and Co.

## VAT

VAT has been identified on expenditure items to date and is correctly recorded in the Payments ledger. **Total VAT £ 4668.43**

**£3650.70** VAT received from HMRC during the year is recorded in the Receipts ledger.

## Staff costs

The Clerks salary has been paid in accordance with Council approval and recorded in the Receipts/payments account and in the minutes of the Council  
PAYE is paid monthly to HMRC .

**AGAR 2(4) Staff costs to include Employer NIC £12,480**

## Petty cash

Petty cash payments are approved by the Council and paid as expenses to the Clerk. All in order.

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

The Precept of **£54,120** resulted from a detailed budgetary process and presented to the Council on a regular basis. The Precept is correctly recorded in the Receipts ledger and AGAR Section 2 (4)

## Accounts

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

An audit trail was carried out on several Receipts and Payments transactions at the interim/end of year audit and there were no anomalies on these entries.

Expenditure has been agreed by the Council , minuted and agrees with the bank transaction entries.

## Clerk's pension Gratuity.

The Clerk's gratuity fund **£4,761.44** held in Nationwide Building society to pay a lump sum on retirement has been closed. The Council passed a Resolution that the gratuity payment should be paid directly to the Clerk's account.

I have queried this decision with the Clerk as my understanding was that Council's paid a lump sum gratuity on the retirement / termination of employment of the Clerk, not during employment.

The Clerk has highlighted this matter under Variances with PKF Littlejohn External audit.

## 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 31.03.21

12m FT Deposit account £100,00000 **Investment interest £1,343.67**

Treasurers account £ 9,292.82

Business reserve £ 48,385.53

O/S cheques £( 1,793.83)

**Balance at 31.03.2021 £155,884.52 £ 155,885 recorded in Agar Section 2 (7) (8)**

**Earmarked reserves £51,998.00df**

**The Council must approve Section 1 of the AGAR before Section 2 and both must be approved, minuted and published on the Council's website before 1<sup>st</sup> July 2021.**

The Notice of the period for the exercise of Public rights and the declaration that the accounting statements are as yet unaudited must be published on the Council's web site before 1<sup>st</sup> July 2021

Dianne Isaacs  
Internal Auditor to the Council Ncalc  
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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	157635	<b>154479</b>
2. Annual precept	52800	<b>54120</b>
3. Total other receipts	35867	9944
4. Staff costs	11940	12480
5. Loan interest/capital repayments	-	-
6. Total other payments	79883	50178
7. Balances carried forward	154479	<b>155885</b>
8. Total cash and investments	154479	<b>155885</b>
9. Total fixed assets and long term assets	295704	296796
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 (2020)*. 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:

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