

## Annual Internal Audit Report

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

Name of council:	Denton Parish Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	24 <sup>th</sup> May 2022
Year ending:	31 March 2022	Date audit carried out:	23 <sup>rd</sup> May 2022

*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.***

### To the Chairman of the Council:

Thank you very much to the Parish Clerk for supplying me with the information I requested to carry out this Annual Internal Audit. I have emailed the Clerk & spoken on the telephone.

### Results

The work completed is identified in the table below and action required is highlighted:

Area of Work	Observations/Points
Adoption of Policies	Financial Regulations & Standing Orders were adopted at the Annual Parish Council Meeting in May 2021; the council has not adopted any other policies throughout the year. <b>NOTE: I would recommend a review of policies following the appointment of a new Clerk; there are only three policies on the website</b>
Accounting Records	The Accounts were properly maintained during the financial year and the correct carry forward figure was rolled over
Asset Register	The Asset Register is an accurate reflection of council owned assets
Bank reconciliations	Bank reconciliations were reviewed and confirmed to be done on a regular basis with due care and attention. Bank balances were confirmed to statements as at the 31 <sup>st</sup> March 2022
Budget	The process for agreeing the budget was correctly Minuted and followed due process
Earmarked Reserves	Reserves were discussed at the Budget setting meeting

Insurance	The Annual Insurance policy was reviewed, and 5-year cover was agreed with Zurich at the September 2021 meeting
Internal Control	Internal Control isn't regular but has been completed, minuted, and follows due process
Minutes of Meetings	Minutes were reviewed and following the change in template, are easy to read with resolutions being clearly noted
Online banking	The Council resolved to move payments to online banking. <b>NOTE: this needs to be reflected in the Financial Regulations and an Internal Control process needs to be set up to cover risk</b>
PAYE	Payments to HMRC are spasmodic and I would expect them to be regular. <b>NOTE: I recommend the Internal Control Councillor cross matches payments made to the information received by the PAYE contractor</b>
Precept	The Precept demand was correctly Minuted and followed due process
Risk Assessments	The Parish Council's Risk Assessments were approved at the July 2021 Parish Council meeting
Staff changes	The Parish Council has recruited a new Clerk, signed a new employment contract, and created a pension. <b>NOTE: the Council has not appointed the new Clerk as the Responsible Financial Officer</b>
VAT return	The VAT refund was received and correctly entered in the accounts
Website	The website has been upgraded. <b>NOTE: the website is missing financial information and information relating to previous year-end documents</b>
Year-end procedure	The procedures for completing the year-end were correct and followed due process


## Summary

In my opinion the Council's books and records are in good order and follow due process in most elements. The council has made significant, positive changes during the financial year which is very pleasing to see.

I wish the Parish Council a very successful 2022/2023 and look forward to returning in 2023 to carry out the Annual Internal Audit.

Yours sincerely,

*Tina Charteress*



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Internal Auditor to the Council  
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The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2021</b>	<b>Year ending 31 March 2022</b>
1. Balances brought forward	48,669	51,559
2. Annual precept	25,000	25,000
3. Total other receipts	3,999	3,398
4. Staff costs	5,104	6,561
5. Loan interest/capital repayments	0	0
6. Total other payments	21,005	29,112
7. Balances carried forward	51,559	44,284
8. Total cash and investments	51,559	44,284
9. Total fixed assets and long-term assets	71,500	71,028
10. Total borrowings	0	0

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:

<https://www.northantscalc.com/uploads/practitioners-guide-2020-2.pdf>