

Internal Audit Report

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

Name of council:	East Goscote Parish Council		
Name of Internal Auditor:	Eliza Hill	Date of report:	10/05/2022
Year ending:	31 March 2022	Date audit carried out:	10/05/2022

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 staff and management and not left for internal audit.

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 communicated remotely with Liz Pizer, the new Clerk and Responsible Financial Officer to complete the 2021-22 internal audit for East Goscote Parish Council. I would like to thank Liz for her time and assistance in co-operating in this manner.

A series of independent audit tests were undertaken using the various financial records, documents, minutes, and the previous audit report to ascertain the efficiency and effectiveness of the Council's internal controls.

These tests were undertaken by reference to the information available on the Council's website and the additional documentation being provided electronically by the Clerk.

Internal Control

1. A scan of the minutes does not reveal any unusual activity.
2. Council should consider leaving Agendas on the website long term rather than removing once the meeting has taken place. Firstly, this provides confirmation that the agenda was published with 3 clear days notice but secondly, it allows councillors and members of the public to refer back and

compare information as well as aiding transparency. The website does have an option for this to happen.

3. The Council has adopted Standing Orders since 2018. The document would benefit from adding a review date so that it can be clearly seen when the last review took place and when the next one is due. This is to ensure the document remains relevant to the operations of the Council.
4. Payments in the ledger are supported by invoices and are authorised. To aid transparency, the details of each invoice (date, supplier, amount) should be listed in the agenda/minutes.
5. Local councils do need to hold an amount in reserves to meet unexpected expenditure; this should typically be between three and twelve months expenditure as a general reserve. East Goscote Parish Council reserves fit into this bracket with earmarked reserves taken into account.
6. As a form of risk management, it would be beneficial to publish the risk assessment on the website and again, ensure dates of review are included.
7. There is evidence of an adequate budgetary process.
8. It is good practice to publish end of year accounts, internal audit report and AGAR on the website and add each year to the file. This ensures transparency but also enables the Internal Auditor to see that publication requirements were met for the previous year and that any issues have been actioned if appropriate.
9. Whilst many policies and procedures have been adopted by the council, an Equal Opportunities Policy should be considered that will state how the organisation will ensure that it is open and accessible to all. A Complaints Procedure should also be put in place to ensure that all complaints are handled fairly, consistently and wherever possible resolved to the complainant's satisfaction. Templates of these documents are widely available.
10. By reviewing the hard evidence, discussing with the Clerk, and selectively testing a small number of transactions, I am satisfied that the Council is operating sound policies and procedures which enable it to deliver its services and fulfil its responsibilities effectively and efficiently.
11. Recommendations have been made within this report to enhance and strengthen the internal controls that exist. I have tested all the Internal Control Objectives I am required to consider, and the majority of objectives have been met. I have therefore completed the Internal Audit Report section of the Annual Governance and Accountability Return. This report is based on the evidence made available to me. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. Consequently, the report is limited to those matters set out.

Yours sincerely,

Eliza Hill

Eliza Hill

LRALC Internal Auditor

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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	67,717	63,413
2. Annual precept	58,700	59,000
3. Total other receipts	17,706	14,585
4. Staff costs	32,675	37,659
5. Loan interest/capital repayments	-	-
6. Total other payments	48,035	40,831
7. Balances carried forward	63,413	58,508
8. Total cash and investments	63,413	58,508
9. Total fixed assets and long term assets	593,060	594,105
10. Total borrowings	-	-

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2018)*. 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.