

Annual Internal Audit Report

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

Name of council:	Boughton Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	01.05.19
Year ending:	31 March 2019	Date audit carried out:	01.05.19

*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. **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 met with Jayne Bunting, Clerk and RFO on 01 May to carry out the year-end audit of the Council; as ever, I would take this opportunity to thank Jayne for her time and assistance.

During the course of 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; they had.

As a result of this audit, I would draw your attention to the following:

- it is best practice to budget net of VAT, as this can be reclaimed by the Council. It is also best practice, when reporting and recording expenditure in the Minutes to show both the (gross) payment made and the VAT element (if any) that is recoverable
- the Council is currently in a 3 year agreement with its insurer, but that does not preclude the requirement to review the adequacy of the insurance cover on an annual basis. This review is best conducted at the same time as the annual review of the Asset Register.

- during the course of the year the Council was advised by St John's Parochial Church Council (PCC) of its intention to seek formal closure of one of the burial grounds. It would be prudent to enter into discussion with the PCC to ascertain the anticipated lifespan of the remaining burial ground(s) since once exhausted and closed, the Council will become the burial authority. There will then be a requirement to provide a cemetery and thus suitable land needs to be identified and procured well in advance of the time when it might be needed.

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 in order to detect error or fraud. Consequently, the report is limited to those matters set out above.

Through examination of hard evidence and questioning, I confirm that I tested all the aspects of the Council's internal controls that I am required to consider in the Annual Internal Audit Report and 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 Internal Audit Report at page 3 of the AGAR 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 2018	Year ending 31 March 2019
1. Balances brought forward	28,143	32,559
2. Annual precept	39,263	45,785
3. Total other receipts	3,889	3,102
4. Staff costs	17,838	17,478
5. Loan interest/capital repayments	0	0
6. Total other payments	20,898	23,351
7. Balances carried forward	32,559	40,617

8. Total cash and investments	32,559	40,617
9. Total fixed assets and long term assets	50,477	50,591
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England (March 2018), A Practitioners' Guide*. 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. A copy of the guide is available for free download from:

https://www.pkf-littlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf