

Internal Audit Report

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

Name of council:	Hartwell Parish Council		
Name of Internal Auditor:	Julia Tufnail	Date of report:	2 June 2021
Year ending:	31 March 2021	Date audit carried out:	2 June 2021

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:

I would like to thank your Clerk, Lynn, for her time and assistance during this year's audit which was conducted remotely using the NCALC checklist. It is noted that the Council uses a receipts and payments basis for its accounts and does not use the General Power of Competence. Salaries are outsourced and I have conducted an audit trail spot check and am happy to confirm that all matters appear to be in good order during the year. However, it was noted that the Asset Register had not been reviewed during the year as required by the Audit Regulations 2015. I note that last year's Internal Audit Report has been acted upon and that the Internal Control checks were reported in October 2020. Your Clerk confirmed that checks will be conducted more regularly in future, at least quarterly.

Additionally, I make the following comments:

- The minutes are very brief and can lead to confusion by the reader. A little more detail would be appropriate in the interest of clarity.
- The Council does not currently give the Power to Act in either its minutes or its cashbook, as required. Personally, I feel that if the Council gives each payment its Power in the minutes, both Councillors and the public are made fully aware that the Council is not acting beyond their powers and are within the law.
- It is noted that the VAT was reclaimed only once during the year. For a council the size of Hartwell, I would suggest that a quarterly reclaim is made and understand that the Clerk has this in hand.

Yours sincerely

Julia Tufnail

NCALC Internal Auditor

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

	Year 31 March 2020	ending	Year 31 March 2021	ending
1. Balances brought forward	53045		43515	
2. Annual precept	49773		55000	
3. Total other receipts	5038		83869	
4. Staff costs	17483		17972	
5. Loan interest/capital repayments	0		0	
6. Total other payments	46858		111614	
7. Balances carried forward	43515		52798	
8. Total cash and investments	43515		52798	
9. Total fixed assets and long-term assets	171913		171913	
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>