

# Internal Audit Report

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

|                           |                              |                         |            |
|---------------------------|------------------------------|-------------------------|------------|
| Name of council:          | Barby & Onley Parish Council |                         |            |
| Name of Internal Auditor: | John Marshall                | Date of report:         | 09.04.2021 |
| Year ending:              | 31 March 2021                | Date audit carried out: | 09.04.2021 |

*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. 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 and it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the council in order to detect error or fraud. This report is based on the evidence made available to and seen by me. **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:

Due to the Covid-19 pandemic and as a consequence of the legal distancing restrictions imposed by the UK government I carried out the audit remotely, by e-mail and 'phone. I would thank Catherine Camp, Clerk and RFO for her co-operation and assistance in delivering the audit; having the year-end data available so promptly at the end of what has been a very difficult year for clerks and councils, together with her quick response to my queries is typical of her efficiency and has been very helpful to me.

I firstly examined the publicly available information displayed on the council's website including the council's policies, procedures, agendas, minutes, financial and other records. I sought evidence that my previous year's Internal Audit report had been properly reported to and actioned by the Council; it had. I then examined the council's arrangements for the management and control of its business in the areas of bookkeeping, 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 and compliance with the Transparency Code for Smaller Authorities including the public display of information.

I looked particularly at the arrangements that the council put in place in response to the C-19 restrictions, to manage the processes and procedures that would normally require documents including Minutes, invoices etc to be physically examined and / or signed. Where changes have been made, I am satisfied that the modified arrangements have been introduced without any significant diminution in the overall standard of internal controls.

Where necessary, I requested and was provided with supplementary evidence to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR) that forms part of the Annual Governance and Accountability Return (AGAR). This supplementary information was provided in the form of written answers to the questions raised together with scanned documents including the Accounting Statements (section 2 of the AGAR) and the bank reconciliation.

I am pleased to be able to report that having tested all the aspects of the council's internal controls that I am required to consider, based on the information made available

to me I am satisfied that in all significant respects, the internal control objectives were achieved throughout the financial year to a standard adequate to meet the council's needs. Accordingly, I have completed and signed off the Annual Internal Audit Report as required.

John Marshall, CiLCA  
 Internal Auditor to the Council  
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The figures submitted in the Annual Return are:

|  | <b>Year ending<br/>31 March 2020</b> | <b>Year ending<br/>31 March 2021</b> |
|--|--------------------------------------|--------------------------------------|
| 1. Balances brought forward                | 146,736                              | 149,617                              |
| 2. Annual precept                          | 53,330                               | 57,330                               |
| 3. Total other receipts                    | 18,993                               | 42,695                               |
| 4. Staff costs                             | 16,388                               | 17,004                               |
| 5. Loan interest/capital repayments        | 5,767                                | 5,767                                |
| 6. Total other payments                    | 47,227                               | 50,256                               |
| 7. Balances carried forward                | 149,617                              | 176,615                              |
| 8. Total cash and investments              | 149,617                              | 176,615                              |
| 9. Total fixed assets and long term assets | 546,929                              | 565,000                              |
| 10. Total borrowings                       | 29,212                               | 24,126                               |

The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England, A Practitioners' Guide*. Please note that sections 1 & 2 constitute the 'proper practices' that smaller authorities must follow and sets out the appropriate standard of financial reporting. A copy of the current version of the guide is available for free download from this page:

<https://www.pkf-littlejohn.com/services-limited-assurance-regime-useful-documents-and-links>