

Internal Audit Report

Name of council:	Moulton Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	26.04.2022
Year ending:	31 March 2022	Date audit carried out:	26.04.2022

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:

Following discussion with Jane Austin, Executive Officer and Claire Connolly, Assistant Clerk, by mutual agreement I carried out the audit remotely, by means of e-mail and a virtual meeting online platform. I would thank Jane and Claire for their co-operation and assistance in delivering the audit; receiving the year-end data in good time, together with the quick response to my queries has been very helpful.

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. Because the legal relaxations concerning meetings were largely removed in May 2021, I particularly reviewed the reversion from virtual to face-to-face meetings to ensure that the council's processes and procedures had been properly re-set.

I sought evidence and confirmed that the previous year's Internal and External Audit reports had been properly reported to and where necessary acted upon by the Council. 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 display of information including the exercise of public rights.

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 that forms part of the Annual Governance and Accountability Return. 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 a subsequent discussion with Jane and Claire via a virtual meeting online platform in which I queried the council's procedure for formal review of its reserves as part of the budget and precept-setting process. We agreed that this required strengthening.

Notwithstanding that observation and despite a second difficult year due to the ongoing C-19 pandemic, it is very much to the credit of the council and its team of diligent staff, led by Jane that the standards of compliance remain well above average. 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:

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	480,704	735,775
2. Annual precept	322,300	330,000
3. Total other receipts	550,985	208,683
4. Staff costs	171,523	209,544
5. Loan interest/capital repayments	83,572	82,141
6. Total other payments	363,119	341,699
7. Balances carried forward	735,775	641,074
8. Total cash and investments	726,199	642,860
9. Total fixed assets and long term assets	3,235,861	3,267,390
10. Total borrowings	2,001,795	1,976,996

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 and other useful information is available for free download from this page:

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