

Internal Audit Report

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

Name of council:	Ringstead Parish Council		
Name of Internal Auditor:	Helen Hoier	Date of report:	11/06/2019
Year ending:	31 March 2019	Date audit carried out:	29/05/2019

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 met with Lisa Ritchie (Clerk/RFO) on 29 May 2019 to carry out the year-end audit of the Council. Upon examination of bookkeeping, due process, risk management, budget, payroll, asset control, bank reconciliations and year-end procedures; it is clear that every effort is made to ensure that the Council acts lawfully, transparently and in accordance with proper practices.

The Council has a turnover of over £25,000 and therefore is not obliged to comply with the Transparency Code, however all governance and financial documents are easily accessible to interested parties either via the website or at the Council's office. The Council is not currently eligible to use the General Power of Competence and as such understands that it must ensure it spends within its legal powers (particularly Section 137 under which there were items of expenditure in 2018/19).

Issues raised in 2017/18:

- Ensuring that the internal controls are as effective as possible for which suggestions included:
 - Adopting new policies and procedures as well as updating existing governing documents in accordance with legislative changes and/or recommended good practice.
 - Including full numerical details of the schedule of payments in the minutes.
 - Extending the listing of each legal power with the relevant budget heading to include agendas and minutes (with particular reference to Section 137).
 - Recording the total balance of all accounts in the minutes when approving the bank reconciliation.

Issues raised in 2018/19:

- It is evident from governing documents and when speaking with the Clerk/RFO that the Council is fully aware of its responsibilities regarding public finances, especially with regards to accountability, governance and transparency. However, this could be even more effective by ensuring the following:

- The date of the relevant meeting is included with the unique page number in the footer of the minutes and the Chairman initials all the preceding pages to his/her signature.
- The approval of the Council's budget is transacted prior to a separate agenda item setting the precept.
- The Council's employment responsibilities are reviewed regularly for all staff.

Other than the above matters, the Council appears to be performing well, with its business affairs managed properly by a very competent Clerk/RFO and committed Councillors.

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.

Yours sincerely



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

	Year ending 31 March 2018	Year ending 31 March 2019
1. Balances brought forward	27,824	34,437
2. Annual precept	44,000	45,000
3. Total other receipts	34,791	18,488
4. Staff costs	6,610	7,134
5. Loan interest/capital repayments	5,111	5,111
6. Total other payments	60,757	47,782
7. Balances carried forward	34,437	37,898
8. Total cash and investments	34,437	37,898
9. Total fixed assets and long-term assets	302,125	302,483
10. Total borrowings	93,575	91,301

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2019)*. 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-2019.pdf>