

## 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:	06/06/2018
Year ending:	31 March 2018	Date audit carried out:	05/06/2018

*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 Linda Marshall (Clerk/RFO until October 2017), Lisa Ritchie (Clerk/RFO from November 2017) and Cllr Richard Phillips (Chairman until May 2018) on 5 June 2018 (the earliest mutually convenient date) 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 2017/18).

#### Issues raised in 2016/17:

- Reviewing regularly all governing documents and financial data to ensure compliance with current legislation.
- Approval and recording in the minutes of any transfer of expenditure from one budget heading to another (virement).

#### Issues raised in 2017/18:

- It is evident from governing documents and when speaking with the Clerk/RFO that the Council is fully aware of its responsibilities regarding control and governance processes, especially with regards to accountability and transparency. However, this could be even more effective by ensuring the following:
  - Adopting new policies and procedures as well as updating existing governing documents in accordance with changes in legislation and/or recommended good practice.
  - Including full details of the schedule of payments (cheque number, payee, purpose of expenditure and VAT element if any) 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).

- When the bank reconciliation is approved by the Council the total balance of all accounts should be recorded in the minutes for greater clarity.

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

Yours sincerely



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*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.*

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

	<b>Year ending 31 March 2017</b>	<b>Year ending 31 March 2018</b>
1. Balances brought forward	15,207	27,824
2. Annual precept	25,352	44,000
3. Total other receipts	22,925	34,791
4. Staff costs	6,817	6,310
5. Loan interest/capital repayments	5,111	5,111
6. Total other payments	23,732	60,757
7. Balances carried forward	27,824	34,437
8. Total cash and investments	27,824	34,437
9. Total fixed assets and long term assets	300,252	302,125
10. Total borrowings	95,782	93,575

A copy of *Governance and Accountability for Smaller Authorities in England (2018)* along with approved changes for 2018/19 is available for free download from:

<https://www.nalc.gov.uk/library/publications/2655-governance-and-accountability-for-smaller-authorities-in-england-2018-sections-1-5/file>

<https://www.nalc.gov.uk/library/publications/2656-jpag-approved-changes-to-pg-for-2018-19/file>