

# 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:	3 June 2021
Year ending:	31 March 2021	Date audit carried out:	28 May 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 met with Lisa Ritchie (Clerk/RFO) on 28 May 2021 via Zoom 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. I am also particularly impressed at the Council's ability to continue to carry out its functions over the past year despite the challenges posed by the pandemic.

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 via the Council's website. 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 no items of expenditure in 2020/21).

## Issues raised in 2019/20:

- Ensuring that the Council's internal controls and financial procedures with regards to accountability, governance and transparency are as effective as possible for which suggestions included:
  - Including the VAT element if any in the minutes as well as the cash book.
  - Ensuring that the correct legal power to spend is used when checking details of the monthly schedule of payments.
- The 2019/20 external audit included a note in other matters not affecting its opinion that requested information had not been submitted by the required deadline.

Issues raised in 2020/21:

- 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 establishing a rota whereby a different member completes a checklist through the year in order to test specific internal controls and report findings to the Council.

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

Yours sincerely



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

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	37,898	37,333
2. Annual precept	49,500	71,508
3. Total other receipts	85,609	18,938
4. Staff costs	7,266	8,761
5. Loan interest/capital repayments	5,111	5,111
6. Total other payments	123,297	67,000
7. Balances carried forward	37,333	46,906
8. Total cash and investments	37,333	46,906
9. Total fixed assets and long-term assets	371,000	371,000
10. Total borrowings	88,956	86,540

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>