

Annual Internal Audit Report

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

Name of council:	Great Houghton Parish Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	6 th May 2022
Year ending:	31 March 2022	Date audit carried out:	5 th May 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 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:

Thank you very much to the Parish Clerk for supplying me with the information I requested to carry out this Annual Internal Audit remotely and via a telephone call.

Results

The work completed is identified in the table below and action required is highlighted:

Area of Work	Observations/Points
Adoption of Policies	Key policies were adopted at the Annual Parish Council meeting in May
Accounting Records	The Accounts were properly maintained during the financial year and the correct carry forward figure was rolled over
Asset Register	The Asset Register is an accurate reflection of council owned assets
Bank reconciliations	Bank reconciliations were reviewed and confirmed to be done on a monthly basis with due care and attention. Bank balances were confirmed to statements as at the 31 st March 2022.
Budget	The Parish Council has followed due process for the agreement of the Budget
Due process	NOTE: The Council agreed a grant to purchase a cycle for the Police. The Council has not adopted the General Power of Competence and cannot therefore grant this money lawfully Likewise, there is a Minute reference agreeing to a donation to the

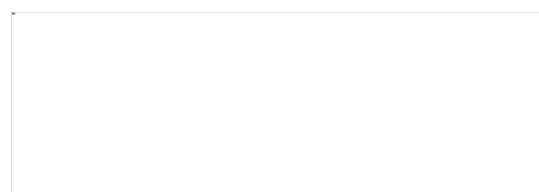
	favourite charity of a local sportswoman; again, this payment cannot lawfully be made
Earmarked Reserves	There are no earmarked reserves
Expenses	NOTE: The Clerk's expenses claims seem high at an average of over £100 per month. I can see this is due to payments for the website, telephone & Zoom. These are standard payments which should be taken directly from the Council's bank account and not via the Clerk personally. There are VAT elements which are not being refunded due to this process
Insurance	The Annual Insurance payment was paid at the March 2022 meeting. NOTE: There is no evidence in the Minutes of a resolution being made to vote in favour of this renewal
Internal Control	Internal Control has been regularly completed, minuted, and follows due process.
Minutes of Meetings	Minutes were reviewed. NOTE: pages are not being numbered; they should be numbered sequentially and initialled when the Minutes are agreed by Council
PAYE	Payments to HMRC are being paid monthly and are following correct procedures
Precept	Due process was followed to agree the Precept Demand
Risk Assessments	The Parish Council's Risk Assessments were approved at the May 2021 Parish Council meeting
Year End Balance	balances were reviewed and were confirmed to bank account statements for the year end.
VAT return	No errors were observed.

Summary

In my opinion the Council is keeping their books and records in very good order and is following due process in most elements.

I wish the Parish Council a very successful 2022/2023 and look forward to returning next year to carry out the Annual Internal Audit.

Yours sincerely,



Mrs Tina L Charteress CILCA
Internal Auditor to the Council
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	29,206	29,206
2. Annual precept	27,500	27,500
3. Total other receipts	13,109	3,928
4. Staff costs	5,269	5,403,
5. Loan interest/capital repayments	6,267	6,267
6. Total other payments	18,206	24,513
7. Balances carried forward	29,206	24,451
8. Total cash and investments	29,206	24,451
9. Total fixed assets and long-term assets	404,927	406,349
10.Total borrowings	14,599	8,966

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>