

## Internal Audit Report

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

Name of council:	Buckminster Parish Council		
Name of Internal Auditor:	Terry Brown	Date of report:	29/4/2020
Year ending:	31 March 2020	Date audit carried out:	27/4/2020

*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 Chair of the Council:

In accordance with the terms of my engagement I have undertaken a review of Buckminster Parish Council's records, policies and procedures for the financial year ending 31<sup>st</sup> March 2020 and I enclose a completed and signed Annual Internal Audit Report for the AGAR 2019/20.

The internal audit exercise involves the testing of the evidence of and evidence of compliance with the 12 statements contained in the Annual Internal Audit Report of the Annual Governance and Accountability Return (AGAR)

The statements refer to:

- A. Maintenance of proper financial records
- B. Compliance with the Council's Standing Orders, Financial Regulations and proper accounting for VAT
- C. Adequacy of risk management arrangements
- D. Effective budgeting and budgetary control
- E. Identification of income due and timely collection and banking of such monies
- F. Proper administration of petty cash (where appropriate)
- G. Proper administration of salaries of employees and expenses paid
- H. Maintenance of an accurate and reliable asset register
- I. The completion of regular bank reconciliations
- J. The correct basis and accurate preparation of year-end accounts
- K. Whether the Council has met its responsibilities as a trustee (where appropriate)
- L. Correctly applying the exercise of public rights during the previous year period

There is clear evidence throughout in both finance and governance that should provide parishioners with confidence in the administration of their Parish Council. Internal controls are adequate and effective, and minutes are detailed and specific to the agenda item.

There is now a competent website. The nature of the background to the AGAR this year because of Corona means that the audit process throws into greater prominence the role of the Parish Council's website as a critical tool to assess the adherence of your Council to achieving consistency and regulatory compliance and the associated reporting requirements

I recommend a continued review all such elements and the functioning of the website. To help with this I attach a copy of the LRALC Local Council and Documents and Policies guide.

In carrying out this Audit the Clerk has reported an ongoing claim for the refund of VAT from 2018/9 and obviously this must continue to be progressed.

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.

Yours sincerely,



Terry Brown  
Internal Auditor to Buckminster Parish Council on behalf of LRALC  
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The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2019</b>	<b>Year ending 31 March 2020</b>
1. Balances brought forward	7371	6320
2. Annual precept	8174	8082
3. Total other receipts	1318	175
4. Staff costs	3975	3000
5. Loan interest/capital repayments	0	0
6. Total other payments	6714	3428
7. Balances carried forward	6320	8149
8. Total cash and investments	6320	8149
9. Total fixed assets and long-term assets	37649	42638
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2018)*. It is a guide to the accounting practices to be followed by local councils and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<http://www.leicestershireandrutlandalc.gov.uk/uploads/governance-and-accountability-for-smaller-authorities-in-england-2019-sections-1-5-1.pdf>