

Internal Audit Report

(to be read in conjunction with Section 4 of the Annual Return)

Name of council:	Ecton Parish Council		
Name of Internal Auditor:	Mrs T Charteress	Date of report:	27th May 2016
Year ending:	31 March 2016	Date audit carried out:	26 th May 2016

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:

Thank you very much for the hospitality shown during my visit to conduct the Internal Audit for Ecton Parish Council.

I examined Book Keeping, Due Process, Risk Management, Budget, Payroll for The Clerk, Asset Control, Bank Reconciliations & Year End Procedures. I also sought evidence that Audit reports from the previous years had been actioned, checked compliance with the Transparency Code and that Town Council records are being safely backed up.

I am pleased to advise you that I found all satisfactory and would draw your attention to the following comments:

- The 1st agenda item on the Annual Parish Council Meeting must be the election of Chairman
- There is no evidence in the Minutes of any Internal Control Procedure, whilst I have had site of completed Internal Controls this should be evidenced in the Council's Minutes. The Internal Control Councillor must not be a bank signatory
- VAT isn't documented in the Minutes but is correctly accounted for
- The Minute pages are not being initialled
- The Parish Council did not agree a budget; it agreed a Precept having discussed the budget. The budget must be agreed and good practise would be to show the budget in the Minutes
- The Council's records are not being backed up regularly

May I take this opportunity to wish the Council a successful 2016/2017.

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,



Mrs Tina L Charteress CiLCA
Internal Auditor to the Council
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The figures submitted in the Annual Return are:

	Year ending 31 March 2015	Year ending 31 March 2016
1. Balances brought forward	34,203	26,754
2. Annual precept	11,000	11,908
3. Total other receipts	6,504	11,113
4. Staff costs	2,086	2,159
5. Loan interest/capital repayments	0	0
6. Total other payments	22,867	15,689
7. Balances carried forward	26,754	31,927
8. Total cash and investments	26,754	31,927
9. Total fixed assets and long term assets	97,219	97,994
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Local Councils – A Practitioners' Guide (England) (2014)*. 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.northantscalc.com/uploads/practitioners-guide-v12jun14.pdf>