

Internal Audit Report

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

Name of council:	Stanwick Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	05.05.2022
Year ending:	31 March 2022	Date audit carried out:	05.05.2022

*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. It is important to note that managing the council's internal controls is a day-to-day function of the council through its staff and councillors and it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the council in order to detect error or fraud. This report is based on the evidence made available to and seen by me. **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 carried out the audit remotely, by e-mail and a virtual meeting online platform. I would thank Jenny Hodgson, Clerk and RFO for her co-operation and assistance in delivering the council's internal audit.

In preparation for the audit, I had examined the publicly available information displayed on the council's website including the council's policies, procedures, agendas, minutes, financial and other records. Because the legal relaxations concerning meetings were largely removed in May 2021, I particularly reviewed the reversion from virtual to face-to-face meetings to ensure that the council's processes and procedures had been properly re-set. I sought evidence to confirm that the previous year's Internal and External Audit reports had been properly reported to and where necessary acted upon by the Council.

I also examined the council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the proper practices as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control and year-end procedures and compliance with the requirements for the display of information including the exercise of public rights.

Where necessary, I requested and was provided with supplementary evidence to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR) that forms part of the Annual Governance and Accountability Return (AGAR). This supplementary information was provided verbally during my discussion with Jenny in the form of answers to the questions raised together with on-screen sight of documents and a scanned copy of the AGAR section 2 accounting statements.

I noted that the clerk regularly incurs expenditure on behalf of the council, using her own funds. The current NALC Model Financial Regulations, reg.6.20 states that '*Personal credit or debit cards of members or staff shall not be used under any circumstances*' but

that prohibition does not appear in the council's adopted Financial Regulations.

That requirement (and the numbering of the council's regulations suggest possibly others as well) has been deleted from the model. The reason why the council's adopted Regulations diverge from the Model Regulations is not known but in the absence of any justification or credible explanation for the omission and to address this issue, I would urge the council to either adopt the model wording or introduce an equal or better alternative. Regs 6.18 - 6.20 of the Model Regulations specifically permit the provision and use of a corporate credit and / or debit card.

Notwithstanding the above, the council and its diligent clerk have continued to maintain sound and above average standards of governance this year. I am pleased to be able to report that having tested all the aspects of the council's internal controls that I am required to consider, based on the information made available to me I am satisfied that in all significant respects, the internal control objectives were achieved throughout the financial year to a standard adequate to meet the council's needs. Accordingly, I have completed and signed off the Annual Internal Audit Report as required.

John Marshall, CiLCA
Internal Auditor to the Council
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The figures submitted in the Annual Return are:

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	105,300	123,841
2. Annual precept	71,545	71,545
3. Total other receipts	17,247	10,977
4. Staff costs	24,812	25,126
5. Loan interest/capital repayments	4,522	4,459
6. Total other payments	40,917	36,867
7. Balances carried forward	123,841	139,911
8. Total cash and investments	123,841	139,911
9. Total fixed assets and long term assets	183,048	183,441
10. Total borrowings	62,086	60,240