

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

Name of council:	Harpole Parish Council		
Name of Internal Auditor:	Julia Tufnail	Date of report:	18 May 2021
Year ending:	31 March 2021	Date audit carried out:	18 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 would like to thank you and Linda for your time and assistance during this year's audit which was conducted remotely using the NCALC checklist. It appears to have been a challenging year for the Council and I wish your new clerk well for the future and her CiLCA training. It is noted that the Council uses a receipts and payments basis and the RBS finance package for its accounts. The Council does not have the Power of General Competence and it links most of its payments to powers in the Mintues. It is also noted that the insurance is on a long-term agreement until 2023, and that it is reviewed as and when necessary. The wage role is done by an external payroll provider and the Council provides a NEST pension.

Previous Internal Audits have raised the issue of Internal Control and I am pleased to hear that a system has now been put in place for next year to ensure that Internal Control is monitored properly. However, Internal Control was again missing from this year's procedures.

It was noted that the Asset Register was not approved by the Council during the year.

The website is in the process of being replaced by a 2-Commune website which will make documents much easier to access. The general housekeeping that occurs when a new website is set up should ensure that documents are not in draft form unless intended.

It was noted that the full VAT reclaim would be made once reference numbers had been obtained from HMRC.

I would recommend that a Reserves Policy be put in place in respect of the current earmarked reserve to ensure transparency.

Yours sincerely

*Julia Tufnail*

NCALC Internal Auditor

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

	Year 31 March 2020	ending	Year 31 March 2021	ending
1. Balances brought forward	77149		85119	
2. Annual precept	59500		75000	
3. Total other receipts	23644		3964	
4. Staff costs	27141		28168	
5. Loan interest/capital repayments	0		2146	
6. Total other payments	48033		73900	
7. Balances carried forward	85119		59869	
8. Total cash and investments	85119		59869	
9. Total fixed assets and long-term assets	49225		68010	
10. Total borrowings	9975		8102	

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>