

# Internal Audit Report

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

Name of council:	Glapthorn PC		
Name of Internal Auditor:	J Hodgson	Date of report:	03/05/16
Year ending:	31 March 2016	Date audit carried out:	03/05/16

*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:

I found the records to be satisfactory, however I would like to make the following recommendations to strengthen the Council procedures.

- A councillor responsible for Internal Control, should ideally not be a signatory on the bank account to ensure impartial assessment.
- Payments should be authorised by the Council prior to the payment being made where ever possible (there are exceptions permitted in Financial Regulations). To facilitate this, on every agenda there could be an item to approve payments.
- Where the Clerk is due reimbursement or other payment, the item should be approved by two councillors prior to the Clerk effecting the transactions. This is to act as an antifraud measure and to protect the Clerk from challenge by the public.
- Review 6.4 of the Councils Financial Regulations to ensure they meet the Council's needs for effective procedures.

In addition I would encourage the Council to consider making the Clerks salary payments via standing order and to consider where other regular payments can be met via standing order.

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,

Ms J Hodgson MILCM, ACIB, B.A. (Hons)  
Internal Auditor to the Council  
01933 461868  
jennyhodgson@msn.com

The figures submitted in the Annual Return are:

	<b>Year ending 31 March 2015</b>	<b>Year ending 31 March 2016</b>
1. Balances brought forward	9853	13633
2. Annual precept	7800	7800
3. Total other receipts	3802	2173
4. Staff costs	2274	2540
5. Loan interest/capital repayments	3149	3149
6. Total other payments	2399	8213
7. Balances carried forward	13633	9704
8. Total cash and investments	13633	9704
9. Total fixed assets and long term assets	11289	15175
10. Total borrowings	6297	3149

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>