

Internal Audit Report

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

Name of council:	Thorpe Malsor Parish Council		
Name of Internal Auditor:	Julia Tufnail	Date of report:	12.5.17
Year ending:	31 March 2017	Date audit carried out:	12.5.17

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 met with your new Clerk, Mrs Anne Marie Walton-Millar, this afternoon to carry out the Internal Audit and would like to thank Anne Marie for her time and assistance. I have suggested that she attends New Clerks and Accounting for Clerks training at NCALC as she will find them extremely helpful in carrying out her duties as your Clerk.

Appointment - The Council is an employer and must, therefore, register with HMRC as an employer and pay the Clerk as expected reporting to HMRC as necessary. The Council wishes to appoint the new clerk and so she should be issued with a proper employment contract by the Council which states her hours, place of work, rate of pay, etc as well as the duties expected of her. I have suggested that she should contact NCALC for a template contract of employment.

Book Keeping appears to be in order but the Council has no internal controls in place. The Council does not identify any powers by which is making payments. I carried out a transaction spot check which I found to be in order. See the Practioners Guide 2016 downloadable from NCALC.

Due Process – New Standing Orders have not been adopted for many years and there are no Financial Regulations in place. I have suggested that the Clerk contacts NCALC for advice on this as they have templates for use by Councils.

Risk Management – There is no Risk Assessment in place. The Council runs a playground with equipment for children to play on. There are no weekly inspections and the playground is not inspected annually by a registered inspector. The Council's should assess this risk urgently. The All Risks section of the insurance does not appear to reflect the assets of the Council. The Council should conduct a review of its insurance cover to satisfy itself that it is not paying for things it doesn't have.

Continued

Transparency Code – Although the village has a website, the Council does not comply with this code and the Council should put measures in place to ensure that it does. I have left your Clerk with a copy of the Code.

I have no doubt that the Council will soon be up to date with the relevant legislation and be fully compliant. I wish the Clerk good luck in setting everything in place.

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

Julia Tufnail

Mrs Julia Tufnail
NCALC Internal Auditor to the Council
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The figures submitted in the Annual Return are:

	Year ending 31 March 2016	Year ending 31 March 2017
1. Balances brought forward	2708	2178
2. Annual precept	2000	2000
3. Total other receipts	0	338
4. Staff costs	508	274
5. Loan interest/capital repayments	0	0
6. Total other payments	2023	761
7. Balances carried forward	2178	3481
8. Total cash and investments	2178	3481
9. Total fixed assets and long term assets	20550	20940
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 (2017)*. 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-2017.pdf>