

Internal Audit Report

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

Name of council:	Stretton Parish Council		
Name of Internal Auditor:	Terry Brown	Date of report:	13/4/2021
Year ending:	31 March 2021	Date audit carried out:	April 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 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 Chair of the Council:

In accordance with the terms of my engagement I have undertaken a review of Stretton Parish Council's records, policies and procedures for the financial year ending 31st March 2021 and I enclose a completed and signed Annual Internal Audit Report for the AGAR 2020/21.

The internal audit exercise involves the testing of the evidence of and evidence of compliance with the 15 statements contained in the Annual Internal Audit Report of the Annual Governance and Accountability Return (AGAR)

The statements refer to:

- A. Maintenance of proper financial records
- B. Compliance with the Council's Standing Orders, Financial Regulations and proper accounting for VAT
- C. Adequacy of risk management arrangements
- D. Effective budgeting and budgetary control
- E. Identification of income due and timely collection and banking of such monies
- F. Proper administration of petty cash (where appropriate)
- G. Proper administration of salaries of employees and expenses paid.
- H. Maintenance of an accurate and reliable asset register
- I. The completion of regular bank reconciliations
- J. The correct basis and accurate preparation of year-end accounts
- K. Whether the Council has met its responsibilities as a trustee (where appropriate)
- L. Correctly applying the exercise of public rights during the previous year period.

There is clear evidence that the employment of a new Clerk has restored a level of oversight and supervision of both accounting and governance functions of the Parish Council such that parishioners should now have confidence in their representation.

Previous problems and issues that have arisen within the Parish Council itself have been systematically resolved and advice from the RCC Monitoring Officer and LRALC has been used in doing so.

Accounting procedures have remained robust and pragmatic to deal with the exigences imposed by Covid.

The Parish Council has taken a proactive response to risks that might appear, in particular with planning issues.

The website is functional but somewhat idiosyncratic. The Parish Council would be advised to consider its future use in view of recent changes imposed on such websites by changes in Government legislation and The Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 in particular.

Many thanks to the Clerk for her detailed responses with this audit.

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.

Yours sincerely,



Terry Brown
Internal Auditor to Stretton Parish Council on behalf of LRALC
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	3435	4575
2. Annual precept	4600	4635
3. Total other receipts	274	142
4. Staff costs	1779	3066
5. Loan interest/capital repayments	0	0
6. Total other payments	1995	1789
7. Balances carried forward	4575	4497
8. Total cash and investments	4575	4497

9. Total fixed assets and long-term assets	5507	5506
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 (2018)*. 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.leicestershireandrutlandalc.gov.uk/uploads/governance-and-accountability-for-smaller-authorities-in-england-2019-sections-1-5-1.pdf>