

## Internal Audit Report

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

Name of council:	Stoughton Parish Council		
Name of Internal Auditor:	Cathy Walsh	Date of report:	17 May 2021
Year ending:	31 March 2021	Date audit carried out:	13 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 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:

Due to the Covid-19 pandemic and because of the legal distancing restrictions imposed by the UK government I carried out the audit remotely, by e-mail. I would thank Karen Giddens, Clerk and RFO for her co-operation and assistance in delivering the audit.

In accordance with the terms of my engagement, I have undertaken a review of Stoughton Parish Council's records, policies, and procedures for the financial year ending 31 March 2021, following which I completed and signed the Annual Internal Audit Report of the Annual Governance and Accountability Return 2020/21.

The Council certified itself exempt from a limited assurance review for 2020/21.

Significant observations were reported in the Council's Internal Audit Report for 2019/20. I am pleased to note that the majority of these observations and recommendations have been addressed by the Council. Both the Clerk and the Council have worked really hard to achieve this.

The Coronavirus Act 2020 and The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 enabled all local authority meetings to be held remotely, including (but not limited to) telephone conferencing, video conferencing, live webcast, and live interactive streaming, including allowing remote access by members of the public. The Council held its Annual Meeting on 26 May 2020 by email and thus the decisions taken there were not convened and conducted lawfully because the proceedings were conducted by email, a method that does not comply with the regulations governing the holding of remote meetings. For a remote meeting to be lawful, the requirements as set out in reg 5 are that;

reg 5. (2) For the purposes of any such enactment, a member of a local authority (a “member in remote attendance”) attends the meeting at any time if all of the conditions in subsection (3) are satisfied.

reg 5. (3) Those conditions are that the member in remote attendance is able at that time;

(a) to hear, and where practicable see, and be so heard and, where practicable, be seen by, the other members in attendance,

(b) to hear, and where practicable see, and be so heard and, where practicable, be seen by, any members of the public entitled to attend the meeting in order to exercise a right to speak at the meeting, and

(c) to be so heard and, where practicable, be seen by any other members of the public attending the meeting.

During the meeting held on 26 May 2020 the approval of Annual Governance and Accountability Return (AGAR), Section 1 - Annual Governance Statement and Section 2 - Accounting Statements as part of the AGAR 2019/20 was not approved in the correct manner. The AGAR approval was minuted as ‘*Approval of AGAR 19/20*’. The Council must approve Section 1 before approving section 2 and both should be separately approved and minuted accordingly. This matter was also brought to the Council’s attention in last year’s Report for the approval of the AGAR 2018/19.

A sample check was carried out to agree the accuracy of payment vouchers to the cash book and bank statements. These were well evidenced and provided a thorough audit trail. Accounts are completed in a timely manner and bank statements, along with bank reconciliations are reported to Council on a regular basis.

I would recommend the Council review its Financial Risk Assessment. The current version published on the Council’s website states ‘All payments to be made by cheque (not SO, DD or bank transfer)’. The Council is making payments by Standing Order on a regular basis.

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. I confirm that through examination of information displayed on the website and questioning, I tested all the aspects of the Council’s internal controls that I am required to consider.

Accordingly, I have completed and signed off the Annual Internal Audit Report of the AGAR as required.

Yours sincerely,

Mrs Cathy Walsh  
Internal Auditor to the Council

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

	Year ending 31 March 2019	Year ending 31 March 2020
1. Balances brought forward	7,099	7,434
2. Annual precept	8,450	8,450
3. Total other receipts	806	2,486
4. Staff costs	2,485	2,354
5. Loan interest/capital repayments	0	0
6. Total other payments	6,436	6,406
7. Balances carried forward	7,434	9,610
8. Total cash and investments	7,434	9,610
9. Total fixed assets and long term assets	144,732	144,763
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>