

## Internal Audit Report

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

Name of council:	North Luffenham		
Name of Internal Auditor:	Joan Edwards	Date of report:	28/05/2020
Year ending:	31 March 2019	Date audit carried out:	27/05/2020

*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 United Kingdom being in lockdown as a result of the COVID-19 pandemic, this audit was conducted remotely, initially by researching documents available on your website and subsequently by reviewing documentation submitted by your clerk and followed up by a virtual meeting conducted using Zoom.

The precept of 10,000 for 2019/20 was correctly agreed and shown in the minutes of the meeting held on Monday 3<sup>rd</sup> December 2018

I would like to thank John for sending Section 2 – Accounting Statement 2019/20 and other supporting documents to assist in the preparation of this audit.

There were no outstanding actions from either the internal audit last year or the external audit carried out by PKF Littlejohn for the year 2018/19

After thorough investigation of all the relevant, policies, procedures and registers I can see good evidence that your clerk is doing a particularly good job. The website is very professionally managed, easy to navigate and contains all the information required.

### Conclusion

The only matter to be followed up next year is to ensure that the process for reconciliation of accounts is working. There is no problem with the accounts, or in fact the process. The process is that a councillor who is not responsible for finances is allocated to perform a reconciliation of the accounts prior to each meeting of the council and then sign them to say they are correct. Unfortunately, the councillor who was given this responsibility had a poor attendance record and failed to notify the clerk that he would not be attending meetings, this resulted in no reconciliation of accounts for several months. The clerk confirmed that this matter has since been resolved.

Yours sincerely,

J. L. Edwards

Joan Edwards  
Internal Auditor to the Council  
01572 813317  
Joan31@icloud.com

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	41,504	26,171
2. Annual precept	13,136	10,000
3. Total other receipts	5,925	2,051
4. Staff costs	5,768	5,932
5. Loan interest/capital repayments	0	0
6. Total other payments	28,626	4,047
7. Balances carried forward	26,171	28,243
8. Total cash and investments	26,171	28,243
9. Total fixed assets and long term assets	34,178	34,205
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>

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.