

Internal Audit Report

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

Name of council:	Flore Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	10.04.18
Year ending:	31 March 2018	Date audit carried out:	10.04.18

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. It is important to note that managing the council's internal controls is a day-to-day function of the council through its staff and councillors and it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the council in order to detect error or fraud. This report is based on the evidence made available to and seen by me.

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 Sue Halkett, Clerk and RFO on 10 April to carry out the year-end audit of the Council; I would take this opportunity to thank Sue for her time and assistance. Last year, BDO as External Auditor again raised no audit issues, which is to the Council's credit. I identified one issue relating to the setting of a deficit budget, without explanation of the *rationale* for doing so. The Council has responded positively and referred the issue to the Finance Advisory Group but the Minutes of that Group, or indeed the Budget are not (currently) published on the website. I note that the Council, again set a deficit budget this year and I therefore repeat the observation.

Notwithstanding that, the Council is self-evidently an effective team, well organised and with sound policies and procedures in place to successfully deliver its activities and responsibilities. By examination of hard evidence and questioning, I tested all the Internal Control Objectives that I am required to consider and I am satisfied that in all significant respects, the objectives have been met. To that end, I have completed the Internal Audit Report at page 3 of the Annual Governance and Accountability Return.

John Marshall, CiLCA
Internal Auditor to the Council
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The figures submitted in the Annual Return are:

	Year ending 31 March 2017	Year ending 31 March 2018
1. Balances brought forward	28,103	29,645
2. Annual precept	29,000	30,250
3. Total other receipts	3,932	3,189
4. Staff costs	7,608	10,180
5. Loan interest/capital repayments	0	0
6. Total other payments	23,782	29,025
7. Balances carried forward	29,645	23,879
8. Total cash and investments	29,645	23,879
9. Total fixed assets and long term assets	107,377	107,571
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:

https://www.pkf-littlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf