

# End of year Internal Audit Report

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

Name of council:	<b>Cosgrove Parish council</b>		
Name on Internal auditor	Dianne Isaacs	Date of report:	06/07/20
Year ending:	31/03/20	Date audit carried out:	03/07/20

*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.**

*Due to COVID -19 the Internal End of year audit will be carried out remotely this year. With so many uncertainties at this present time I trust that you all stay safe and well and remain so in the future.*

**Clerk and R.F.O:- Derek Everett  
Council Chairman  
Cllr W Smith was appointed Chairman at the Annual meeting in May 2019**

## **To the Chairman of the Council External audit 2018/19**

The Council had Income and Expenditure **not exceeding £25,000** for the above financial year and was exempt from a basic assurance review.

All relevant end of year documents were published on the Council's web site.

## **2019/20 Financial year**

**The Council's Income and expenditure exceeds £25,000 and the Clerk will complete Part 3 of the AGAR and send all relevant information to P.K.F Littlejohn.**

## **Internal audit report – 21/11/19**

The report was presented to Council at the December meeting and there were no matters arising from the end of year Internal audit report.

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## **DUE PROCESS**

### **Risk Management**

The Council has reviewed their arrangements to manage identified risks and has a **Risk assessment document** in place to achieve their objectives. The Risk assessment policy was agreed at the Annual meeting of the Council in May 2019 .

**Financial regulations, Revised Code of conduct , Complaints procedures, Freedom of information details and Data Protection were agreed at the Annual meeting in May 2019**

### **Minutes of Council meetings.**

I have checked the minutes of Council meetings to date and there was no unusual activities in the minutes.

**The minutes are agreed by the Council , signed by the Chairman and consecutively numbered.**

## ASSET REGISTER

Additional assets have been purchased - **A portable SID** and recorded on the Council's Asset register.  
**Total assets at 31.03.2020 - £51497**

## V.A.T.

V.A.T on expenditure items is recorded correctly in the Receipts and Payments ledger.  
I checked several payments with the relevant invoices and there were no discrepancies on these transactions .  
**VAT claimed from HMRC £1,856.09**

## BUDGETS/ PRECEPT

**The Council set a Precept of £21750** from a detailed budgetary process and this is recorded correctly in the minutes of the Council and the authorisation to South Northants Council.  
In line with audit regulations the Council approves budgetary controls at each meeting and the Clerk presents a detailed Financial monthly statement.

## INSURANCE

The Council has reviewed its Insurance with Came and Co for this financial year .  
The premium **£527.02** is correctly recorded in the accounts ledger and the minutes of the Council meetings.

## SALARIES TO EMPLOYEES

The Clerks salary has been paid in accordance with Council approval and recorded in the Receipts and Payments accounts and in the minutes of the Council.  
**Total staff costs at 31.03.2020 - £5352**

## BANK ACCOUNTS

Cllr D Little has been included on the Council's Bank Mandate.  
**An audit trail was carried out, also transaction spot checks of Council's receipts and payments at the interim audit**  
The Clerk has prepared the accounts on the correct accounting procedure – Receipts and payments.

There is a Bank reconciliation for each of the Council's Bank accounts and there are no unexplained balancing entries in the Account ledger and the Bank statements at 31.03.2020

<b>NWBS – Earmarked funds for Clerk's gratuity – see note</b>	<b>£ 3,704.58</b>
<b>Treasurers account</b>	<b>£ 188.48</b>
<b>Business reserve</b>	<b>£36,417.05</b>
<b>O/s cheque</b>	<b>£ 575.00</b>
<b>Total cash and investment at 31.03.2020</b>	<b>£39,735.11</b>

**£39,735 is correctly recorded in AGAR Section 2 (7) and (8)**

## Note – Pension gratuity.

**The Nationwide account 1164/03877087 was closed on 31.0.3.2020 and the money will be transferred back to the Parish council account and earmarked as the Clerk's gratuity .**

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.

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Figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2019</b>	<b>Year ending 31 March 2020</b>
1. Balances brought forward	31030	34404
2. Annual precept	21250	<b>21750</b>
3. Total other receipts	3540	6790
4. Staff costs	5256	5352
5. Loan interest/capital repayments	-	-
6. Total other payments	16160	17857
7. Balances carried forward	34404	<b>39735</b>
8. Total cash and investments	34404	<b>39735</b>
9. Total fixed assets and long-term assets	49569	51497
10. Total borrowings	-	-

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2019)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2019.pdf>



