

Internal Audit Report

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

Name of council:	Lutton Parish Council		
Name of Internal Auditor:	J Hodgson	Date of report:	14 th April 2020
Year ending:	31 March 2020	Date audit carried out:	14 th April 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 council through its staff and management and not left for internal audit. 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. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

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:

This audit has been undertaken 'remotely' in accordance with the Government's restrictions due to the COVID 19 pandemic. I have utilised the Council's website to view necessary information as well as posed questions to the Clerk via email and requested further documents to be emailed to me.

Now the Parish Council is becoming more financially active, my audit has been more in depth. The Council now has greater obligations with regard to public money. I can see from the website that the financial duties prescribed by the Transparency Code of Smaller Authorities were met in 2019.

The Code requires that the agenda is posted on the website in addition to a conspicuous place in the village i.e. a notice board.

Where the Council is incurring expenditure that includes VAT, providing the invoice states that it is for 'Lutton Parish Council', the VAT can be reclaimed from HMRC. It is appropriate that where VAT is incurred by the public purse, that it is reclaimed. A claim can cover expenditure of not more than three years old.

The agenda for any council meeting should specify the business which is proposed to transact. To make a decision, especially if it involves a commitment to spend money, that has not been expressly stated on the agenda, means that the council is acting unlawfully. *Longfield Parish Council v Wright (1918) 88LJ Ch 119*

The agenda should be accompanied by a 'summons', signed and certified by the Proper Officer, usually the Clerk and sent to every member of the Council. In practice the summons generally is at the top of the agenda.

The Council should be aware that it can be asked for evidence of what it (and not just clerk) have considered when completing the Annual Governance Statement of the AGAR (section 1). The Council, as a body corporate, needs to be able to demonstrate that it has during the year assessed risks and reviewed its systems and processes for internal control.

This can be achieved by a structured agenda item and corresponding detailed Minutes.

I have also recommended to Mrs Evans that the Minute pages are consecutively numbered, from the start of each civic year, in accordance with the Local Government Act 1972 Sch. 12 s 41(2).

Ideally, agenda items would be consecutively numbered from the first meeting of the year and this numbering is repeated in the Minutes to make the two documents easy to reconcile.

Having tested all of the objective of internal control as set out in Internal Audit section of the AGAR, through the examination of the evidence and email discussions with Mrs Evans I am satisfied that the Council has met the requirements and I have signed off the AGAR as required.

I would like to thank Mrs Evans for her assistance.

Yours sincerely,

J Hodgson

Ms Jenny Hodgson
Internal Auditor to the Council
01933 461868

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	1019	1557
2. Annual precept	1500	1000
3. Total other receipts	350	0
4. Staff costs	0	0
5. Loan interest/capital repayments	0	0
6. Total other payments	1312	1388
7. Balances carried forward	1557	1169
8. Total cash and investments	1557	1169
9. Total fixed assets and long-term assets	0	0
10. Total borrowings	0	0