

## Annual Internal Audit Report

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

Name of council:	Evenley Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	26.04.2021
Year ending:	31 March 2021	Date audit carried out:	26.04.2021

*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. 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 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:

Due to the Covid-19 pandemic and as a consequence of the legal distancing restrictions imposed by the UK government I carried out the audit remotely, by e-mail and 'phone. I would thank Cathy Knott, Clerk and RFO for her co-operation and assistance in delivering the audit; having the year-end data available promptly together with her quick and efficient responses to my queries has been very helpful.

I firstly examined the publicly available information displayed on the council's website including the council's policies, procedures, agendas, minutes, financial and other records. I sought evidence that the previous year's Internal and External Audit reports had been properly reported to and where necessary acted upon by the Council; they had. I then examined the council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the proper practices as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control and year-end procedures and compliance with the display of information including the exercise of public rights.

I looked particularly at the arrangements that the council put in place in response to the C-19 restrictions, to manage the processes and procedures that would normally require documents including Minutes, invoices etc to be physically examined and / or signed. Where changes have been made, I am satisfied that the modified arrangements have been introduced without any significant diminution in the overall standard of internal controls.

Where necessary, I requested and was provided with supplementary evidence to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR) that forms part of the Annual Governance and Accountability Return (AGAR). This supplementary information was provided in the form of written answers to the questions raised together with scanned documents including the Accounting Statements (section 2 of the AGAR) and the bank reconciliation.

The council continues to be well served by its competent and efficient clerk and I am

pleased to be able to report that having tested all the aspects of the council's internal controls that I am required to consider, based on the information made available to me I am satisfied that in all significant respects, the internal control objectives were achieved throughout the financial year to a standard adequate to meet the council's needs. Accordingly, I have completed and signed off the Annual Internal Audit Report as required.

John Marshall  
 Internal Auditor to the Council  
 07505 139832  
 wjm.marshall1@gmail.com

The figures submitted in the Annual Return are:

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	49,918	29,420
2. Annual precept	20,536	21,267
3. Total other receipts	24,639	15,104
4. Staff costs	6,240	6,552
5. Loan interest/capital repayments	3,497	3,500
6. Total other payments	55,936	21,721
7. Balances carried forward	29,420	34,018
8. Total cash and investments	29,420	34,018
9. Total fixed assets and long term assets	117,770	122,991
10. Total borrowings	25,652	22,675

The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England, A Practitioners' Guide*. Please note that sections 1 & 2 constitute the 'proper practices' that smaller authorities must follow and sets out the appropriate standard of financial reporting. A copy of the current version of the guide is available for free download from this page:

<https://www.pkf-littlejohn.com/services-limited-assurance-regime-useful-documents-and-links>