

## Internal Audit Report

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

Name of council:	Thurlaston Parish Council		
Name of Internal Auditor:	Ashok Kataria	Date of report:	24 Apr. 19
Year ending:	31 March 2019	Date audit carried out:	12 Apr. 19

*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:**

I met with Elaine Foxon (Clerk & RFO) and Paul Holyman (Chair of Finance) on 12 April 2019 to carry out the internal audit of the Council. I would take this opportunity to thank both for their time and assistance.

In previous year, Internal Auditor had not raised any matters and Parish having signed “Certificate of Exemption “no External Auditor review applicable.

I identified following matters for consideration

- As the Transparency Code for Smaller Council is mandatory, action is required for undermentioned. I would draw attention to “The good Councillors Guide to Finance and Transparency “pages 51-55 for reference.

The Minutes are often published outside the 30 day time frame.

The Statement of Accounts are published but not signed.

- The Standing Orders although have been reviewed & updated during the year, these were not formally adopted at Council Annual Meeting.

- I would confirm that the figures entered in boxes 3 and 7 of Section 2 of the Annual Return (Draft) were altered at the time of my work by RFO to account for VAT refund received twice in error (not claimed back by HMRC to date).
- The Insurance schedule appeared to indicate level of cover for Assets may require revision and RFO has agreed to pursue this.
- I noted Bank Reconciliations are performed regularly and am advised presented to Council. However evidence of approval of the Reconciliation and confirmation of sight of Bank Statement by Chair of Finance is good recommended practice (Refer to JPAG guide –Mar 18 Para. 5.21 to 5.25).

Notwithstanding these comments, I am satisfied that effective systems to manage, monitor and control the Council's business are in place and 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.

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.

Yours faithfully,

Ashok Kataria  
For & on behalf of LRALC Internal Audit Service  
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The figures submitted in the Annual Governance and Accountability Return is:

	<b>Year ending 31 March 2018</b>	<b>Year ending 31 March 2019</b>
1. Balances brought forward	16830	15265
2. Annual precept	12500	13500
3. Total other receipts	2873	2051
4. Staff costs	5427	6583
5. Loan interest/capital repayments	0	0
6. Total other payments	11511	14304
7. Balances carried forward	15265	9929
8. Total cash and investments	15265	9929
9. Total fixed assets and long term assets	67323	67323
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-2018-sections-1-5-1.pdf>