

# Annual Internal Audit Report

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

Name of council:	Braunstone Town Council		
Name of Internal Auditor:	John Marshall	Date of report:	19.05.2020
Year ending:	31 March 2020	Date audit carried out:	19.05.2020

*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 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 telephone on 19 May. I would thank Darren Tilley, Executive Officer, Town Clerk and RFO together with his staff for their co-operation and assistance in delivering the audit.

I firstly sought evidence that the previous year's reports from Internal and External Auditors had been properly reported to and actioned by the council; they had. I noted that a proper Action Plan had been drawn up in response to the two issues I raised but due to the disruption to council's normal service arising from the pandemic, full delivery of the actions has yet to be completed; in the circumstances this is entirely understandable and acceptable. I then examined the Council's arrangements for the management and control of its business in the areas of book keeping, 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. This was achieved through examination of the publically available information displayed on the council's website - policies, procedures, agendas, minutes, financial and other records - and 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 reports including the completed Accounting Statements (section 2 of the AGAR) generated from the council's computer based management and accounting systems and in the telephone conversation with Darren. I chose to focus particularly on the council's recording and management of its assets and finances, including reserves.

The council continues to demonstrate high standards of compliance both with regulatory requirements and the proper practices\* and I am pleased to report that I identified no audit issues or other issues that I need to draw to the council's attention.

This report is based on the evidence made available to me and consequently, the report is limited to those matters set out above. Through examination of hard evidence and questioning, I confirm that I tested all the aspects of the council's internal controls that I am required to consider and I am satisfied that effective systems to manage, monitor and control the council's business are in place. Accordingly, I have completed and signed off the Annual Internal Audit Report at page 3 of the AGAR as required.

John Marshall  
 Internal Auditor to the Council  
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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	268,199	236,782
2. Annual precept	574,107	604,817
3. Total other receipts	188,871	222,249
4. Staff costs	463,924	479,396
5. Loan interest/capital repayments	60,891	60,765
6. Total other payments	269,580	278,347
7. Balances carried forward	236,782	245,340
8. Total cash and investments	229,438	233,698
9. Total fixed assets and long term assets	4,551,639	4,555,705
10. Total borrowings	289,474	242,998

The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England (March 2019), 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. Please note this version applies for 2019/20, however Governance & Accountability for Smaller Authorities in England (March 2020) is available for early adoption. The Joint Panel on Accounting & Governance (JPAG) has only clarified proper practices - there have been no material changes. A copy of the guide is available for free download from this page:

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