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Julie Moss
Barrowby Parish Council

Friday 9th April 2021

Barrowby Parish Council – Internal Audit Report April 2021

Dear Julie,

I have carried out the Internal Audit for Barrowby Parish Council in accordance with the procedure as set out in the Joint Practitioners Advisory Group publication: Governance and Accountability for Local Councils.

I attach the AGAR IAR and my report with recommendations.

Please accept this as an invoice for a fee of £100.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Terry Brown', with a long horizontal flourish extending to the right.

Terry Brown

Internal Audit Report

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

Name of council:	Barrowby Parish Council		
Name of Internal Auditor:	Terry Brown	Date of report:	9/4/2021
Year ending:	31 March 2021	Date audit carried out:	April 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.

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 Chair of the Council:

In accordance with the terms of my engagement I have undertaken a review of **Barrowby** Parish Council's records, policies and procedures for the financial year ending 31st March 2021 and I enclose a completed and signed Annual Internal Audit Report for the AGAR 2020/21.

The internal audit exercise involves the testing of the evidence of and evidence of compliance with the 15 statements contained in the Annual Internal Audit Report of the Annual Governance and Accountability Return (AGAR)

The statements refer to:

- A. Maintenance of proper financial records
- B. Compliance with the Council's Standing Orders, Financial Regulations and proper accounting for VAT
- C. Adequacy of risk management arrangements
- D. Effective budgeting and budgetary control
- E. Identification of income due and timely collection and banking of such monies
- F. Proper administration of petty cash (where appropriate)
- G. Proper administration of salaries of employees and expenses paid
- H. Maintenance of an accurate and reliable asset register
- I. The completion of regular bank reconciliations
- J. The correct basis and accurate preparation of year-end accounts
- K. Whether the Council has met its responsibilities as a trustee (where appropriate)
- L. Correctly applying the exercise of public rights during the previous year period

There continues to be clear evidence of finance and governance of procedures that will provide parishioners with confidence in the administration of their Parish Council.

JPAG (Joint Panel on Governance and Accountability) guidance (5.121) is that the entries for the AGAR will usually be taken straight from the summary totals in the cash book. It is noted that the accounting system is to be moved to a new accounts package.

Internal controls are adequate and effective and have been adjusted to deal with the consequences of the Covid19 situation. Minutes of both the Council and committees are detailed and yet specific to the agenda item.

The new website has been set up and is under construction to conform to the reporting requirements for Transparency. The Clerk reported that the 2020 AGAR was publicised on 3 notice boards but it should be noted that the website is now the top-level point for publication of Council documents.

Closing balances approach 200% of precept. Normally 50 to 100% would be expected. There is no Reserves Policy and this might be considered an appropriate action point.

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 sincerely,



Terry Brown
Internal Auditor to Barrowby Parish Council
01476 516366

The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	86205	87947
2. Annual precept	38000	56300
3. Total other receipts	50492	60945
4. Staff costs	30515	29848
5. Loan interest/capital repayments	1731	0
6. Total other payments	54504	70667
7. Balances carried forward	87947	104677
8. Total cash and investments	87947	104677
9. Total fixed assets and long-term assets	924819	924819

10. Total borrowings	0	0
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