

Annual Internal Audit Report

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

Name of council:	Overstone Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	02.05.19
Year ending:	31 March 2019	Date audit carried out:	02.05.19

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. It is important to note that managing the council's internal controls is a day-to-day function of the council through its staff and councillors and 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:

I met with Catherine Camp, Interim Clerk and RFO on 02 May to carry out the year-end audit of the Council; I would take this opportunity to thank Catherine for her time and assistance.

During the course of the audit, I 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. I also 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.

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 at Section 4 of the Annual Return. I am pleased to be able to report that no audit issues were identified as a result of this audit 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 Return are:

	Year ending 31 March 2018	Year ending 31 March 2019
1. Balances brought forward	29,457	24,171
2. Annual precept	25,340	25,340
3. Total other receipts	3,257	3,584
4. Staff costs	1,475	1,516
5. Loan interest/capital repayments	2,029	2,029
6. Total other payments	30,379	24,939
7. Balances carried forward	24,171	24,611
8. Total cash and investments	24,171	24,611
9. Total fixed assets and long term assets	49,060	49,360
10. Total borrowings	27,187	25,999

The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England (March 2018), A Practitioners' Guide*. 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:

https://www.pkflittlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf