

Internal Audit Report

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

Name of council:	Watford Parish Council		
Name of Internal Auditor:	G Wells	Date of report:	22 nd May 2023
Year ending:	31 March 2023	Date audit carried out:	11 th May 2023

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 council through its staff and management and not left for internal audit. 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 would like to take this opportunity to thank your Clerk, Sue, for forwarding all of the additional requested 'Year End' documents to me allowing me to carry out a thorough inspection of the Parish Council's records and activities during the period 2022-2023, as well as responding to my queries and questions and for carrying out any actions so swiftly.

I would bring the following to the Council's attention:-

1. There was an error in the accounting figures reported on the exemption certificate forwarded for the audit inspection – this has been rectified and the Clerk has kindly forwarded an amended certificate which now matches the Council's cashbook records and section 2 of the Annual Governance and Accountability Return (AGAR) statement;
2. It is noted that the Council does not meet every month. However, in the months when the Council does not meet it is noted that the Clerk to the Council is not paid and has to wait for payment until the next Council meeting. This may negatively impact the Clerk and their living costs. Under item 7.2 of the Council's financial regulations the Council can, on the appropriate dates stipulated in their employment contract, & provided that each payment is reported to the next available council meeting, as set out in the financial regulations, make payment to the Clerk. The Employee should not be disadvantaged by the Council's decision not to meet every month.
3. The asset register is now uploaded onto the website as a consequence of my audit. Nevertheless, figures against each item have not been listed and the Council should review the register regularly and ensure the purchase price of the items listed on the register matches that reported on the AGAR.

4. It is important that the Council regularly reviews the budget versus receipts and payments as well as uploading documents such as the approved budget and accounting statements onto the Council's website for transparency sake.

I would like to take this opportunity to thank your Clerk Sue & I very much look forward to auditing Watford Parish Meeting in 2024.

Yours sincerely,



Mrs G Wells
Internal Auditor to the Council
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	12305	13326
2. Annual precept	13500	13500
3. Total other receipts	1559	1137
4. Staff costs	4823	5319
5. Loan interest/capital repayments	0	0
6. Total other payments	9215	13974
7. Balances carried forward	13326	8670
8. Total cash and investments	13326	8670
9. Total fixed assets and long-term assets	26303	27003
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 (2023)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed.