

# Internal Audit Report

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

Name of council:	Blisworth Parish Council		
Name of Internal Auditor:	Helen du Bois	Date of report:	5/5/24
Year ending:	31 March 2024	Date audit carried out:	29/4/24

*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,

This Internal Audit was carried out remotely using the documents available on the Council's website and additional documentation/information provided to me by Angela Billing, Clerk and RFO to Blisworth Parish Council. My questions were answered by email and during an online review meeting with Angela on 2<sup>nd</sup> May 2024. I would like to thank Angela for providing the requested documents in a timely manner and for her prompt and detailed assistance with my queries.

During the audit I undertook a series of checks using the information available to me to ascertain the adequacy and effectiveness of the Council's system of internal control. I have provided details of my findings for each of the Internal Control Objectives listed in the Annual Governance and Accountability Return (AGAR):

### **A. Appropriate accounting records have been properly kept throughout the year:**

The Accounts Payments Receipts spreadsheet was up to date and all figures were correctly carried over to the Annual return.

A sample of financial transactions were checked and verified.

### **B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT appropriately accounted for:**

VAT is recorded in the Accounts spreadsheet and has been reclaimed for the 2022/23 year.

The Council's Financial Regulations were approved by the Council on 2/5/23. They are based on the latest model and have been tailored to the Council.

All expenditure was approved by the Council and recorded in the minutes.

All S137 expenditure is noted in the minutes and recorded separately in the Accounts spreadsheet.

## **RECOMMENDATIONS:**

- *As the Council has not adopted the General Power of Competence, minutes should include details of the specific statutory power being applied to all expenditure, see Financial Regulation 10.5.*
- *Occasionally the value of ad-hoc expenditure approved in a meeting was not recorded. It is recommended that value of any ad-hoc expenditure is included in the minutes.*

### **C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these:**

The Risk Assessment Policy was considered and approved by the Council on 2/5/23. Insurance cover with appropriate levels of Public and Employer's Liability was approved by the Council on 2/5/23.

The Council has adopted an Internal Controls Policy and checklist. The Council appointed an Internal Controls Councillor and checks were carried out throughout the year.

The minutes show that a Councillor regularly checks the play area. An external Annual Safety inspection of the play area was carried out; the Council reviewed the resulting report on 7/8/23 and considered the recommendations.

### **D. The Precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate:**

The Budget and resulting Precept was drafted by the Finance Working Group and approved by the full Council; the approved Precept value was recorded in the minutes.

The 23/24 Precept received in the Council's account matches the amount requested from WNC in January 2023.

A Budget vs Actual Report was considered by the Council during the year and recommended actions considered.

The Council adopted a Financial Reserves Policy and earmarked reserves were agreed and minuted in 5/6/23. The Financial Reserves Policy is available on the Council's website.

## **RECOMMENDATIONS:**

- *The value of the approved Budget should be recorded in the minutes of the relevant meeting.*

### **E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for:**

All income was recorded correctly and there were no un-banked payments at 31/3/24.

### **F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for:**

The council does not use petty cash.

### **G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied:**

The Clerk/RFO has a formal Contract of Employment.

The Council employ a payroll provider and the Council is registered as an employer with HMRC.

The Clerk received the relevant 2023/24 NJC pay increase.

Appropriate procedures are in place for the payment of staff allowances and deduction of any tax liability.

The Council has submitted a declaration of compliance to the Pensions Regulator.

### **H. Asset and investment registers were complete and accurate and properly maintained:**

The Asset Register was approved on 2/5/23.

## **RECOMMENDATIONS:**

- *The Asset Register provided for this audit had been updated to include assets acquired in March 2024. It would be good practise for the updated Asset Register to be re-approved by the Council towards the end of each financial year.*

**I. Periodic bank account reconciliations were properly carried out during the year:**

Bank reconciliations are prepared on a monthly basis, are approved by the Council and recorded in the minutes.

The year-end bank reconciliation accurately reflects the bank balances on the AGAR and corresponding bank statements.

**J. Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate, debtors and creditors were properly recorded:**

The Accounts were prepared on a receipts and payments basis which is correct.

The financial details reported in the section 2 of the AGAR reflect the details shown in the Council's accounting records.

**K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt:**

The Parish Council were not exempt from an external audit in 2022-23 as the receipts and payments both exceeded £25,000.

**L. The authority publishes information on a free to access website/web page, up to date at the time of the internal audit in accordance with the relevant legislation:**

The Council publishes all Agendas, Minutes, Policies, Financial reports and AGAR information on their website in accordance with the relevant legislation.

**M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations:**

The Notice of Period for Exercise of Public Rights published on the website clearly identifies the 30-working day period when the authority's records were available for public inspection. The dates of the Period for Exercise of Public Rights were published in the minutes on 5/6/23.

**N. The authority complied with the publication requirements for the prior year AGAR:**

The Council met the publication requirements in relation to the prior year's AGAR.

**O. Trust funds (including charitable) – the Council met its responsibilities as a trustee:**

Not applicable.

It is my opinion that the records and procedures in place for the Council provide a good standard of control. This report should be taken to the next meeting of the Council to inform Councillors of the findings and recommendations of the Internal Audit.

Yours sincerely,

Helen du Bois, CiLCA  
Internal Auditor to the Council  
h.dubois@btinternet.com

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

	<b>Year ending 31 March 2023</b>	<b>Year ending 31 March 2024</b>
1. Balances brought forward	59405	69500
2. Annual precept	43400	43400
3. Total other receipts	19813	10585
4. Staff costs	9587	12284
5. Loan interest/capital repayments	0	0
6. Total other payments	43531	31390
7. Balances carried forward	69500	79811
8. Total cash and investments	69500	79811
9. Total fixed assets and long-term assets	115245	125725
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. A copy of the guide is available for free download from:

<https://www.northantscalc.com/practitioners-guide-2023>.