

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:	Mrs TL Charteress	Date of report:	19 th June 2020
Year ending:	31 March 2020	Date audit carried out:	5-8 th June 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.

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:

Thank you very much for sending documentation as requested enabling me to conduct the Internal Audit for the Council remotely due to the Covid 19 pandemic. Thank you also to the Clerk Mrs Hartley, for meeting with me via Zoom to discuss a number of questions.

I examined Book Keeping, Due Process, Risk Management, Bank Reconciliations, Internal Control, Year End Procedures and performed a detailed scan of the minutes via the website. I also sought evidence that previous Audit Reports have been actioned.

This being my first year auditing Blisworth Parish Council I have a number of concerns and I draw the Council's attention to the following comments:

- There is no evidence in the Minutes of any reporting of Internal Control and when speaking to the Clerk I understand the Parish Council does not have an Internal Control Policy
- Regular Bank Reconciliations are being completed on the current account but not the deposit account and I have advised the Clerk she should be showing the Interest as it is paid not just an annual figure in the accounts
- The dates for the Exercise of Public Rights were not agreed for the years 2019/2020; this is a statutory requirement
- The agenda item "Future Agenda Items and Cllrs Comments" should not be making any decisions; it is in effect, any other business. Items for decision must be placed on the Agenda to ensure Councillors have three clear working days to consider
- I am concerned as to the management of the payment to Andy Newbury for volunteer services. I am not convinced that the invoice paid was created by Mr Newbury; I would expect to see a formal invoice from him for services rendered. The decision to make this annual payment was made at the end of a meeting with no agenda item. I have asked the

Clerk to ensure she receives an invoice directly from Mr Newbury and that it is formally agreed through a Parish Council meeting

- I was concerned to read that the Parish Council did not have a permanent Chairman and that this important role was being shared between all councillors on a monthly basis. I have seen a copy of the Memorandum of Understanding which has no bearing in law. There are no Declarations of Acceptance of Office signed when each Chairman took on the role; Local Government Act 1972 clearly states that "if the Member fails to sign the Declaration of Acceptance of Office his office shall thereupon become vacant" – this means that by order of the Secretary of State, each time the role of Chairman was changed, it was unlawful. I believe going forward this has now been addressed and that the Parish Council has a permanent Chairman

- I am very concerned about the role/fit of the Progress Group. When reading the Parish Council Minutes, the group's Minutes have been attached to the Parish Council Minutes despite there being no formal connection to the Council. I can see that the new role of the "Handyman" is being managed by the Progress Group and this process should be handled by the Parish Clerk as the Handyman will be employed by the Parish Council. There are a number of other items carried out by the group and I'm mystified by the Finance item on the group's Minutes.

It feels, from the Minutes, that the Progress Group is running parallel to the Parish Council, carrying out some of the role of the Council, but is not part of the Council.

If this is the case then the Progress Group, which I believe a number of Councillors are members of, should be formally made into Committee/ Working Group of the Council. The group should have Terms of Reference which should be agreed by the Parish Council and re-adopted each year and, if made a Committee, should have an Agenda and be Minuted and the meetings should have the Clerk present. Working in this manner will integrate both parties and could benefit the Progress Group as if created as a Committee, it could be given delegated power to make decision and to spend.

I have advised the Clerk she should not publish the Progress Group's Minutes as part of the formal Parish Council's Minutes, until the group become a formal part of the Parish Council.

I wish the Parish Council a successful and safe 2020/2021 and look forward to returning to complete the Annual Internal Audit next year.

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 above.

Yours sincerely,

Tina Charteress

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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	24,761	33,136
2. Annual precept	33,000	38,000
3. Total other receipts	7,652	6,823
4. Staff costs	7,732	7,867
5. Loan interest/capital repayments	0	0
6. Total other payments	24,545	26,346
7. Balances carried forward	33,136	43,746
8. Total cash and investments	33,136	43,746
9. Total fixed assets and long-term assets	73,331	74,352
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 (2019)*. 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/uploads/practitioners-guide-2019.pdf>