

# Internal Audit Report

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

Name of council:	Coleorton Parish Council		
Name of Internal Auditor:	Martin Cooke	Date of report:	23 <sup>rd</sup> May 2023
Year ending:	31 March 2023	Date audit carried out:	1 <sup>st</sup> & 23 <sup>rd</sup> 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 proper practices referred to in Accounts and Audit Regulations are set out in JPAG Practitioners Guide 2022. 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.*

***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 report was compiled following several independent tests / checks being undertaken using various financial records, documents, minutes etc both through the official website and during an audit meeting with your Clerk Fiona Palmer on the 23<sup>rd</sup> May 2023.

The following topics were reviewed against our standard checklist format:

Observations from last year's Internal Audit:

- A number of observations / recommendations were noted as follows:
  - Second signatory / approval for payments, **resolved, see comments in report.**
  - Review of website **not resolved, see comments in report.**

Accounting records:

- All details were recorded in the electronic system, and all appeared to be in order.
- Bank balances were reviewed monthly and issued to councillors at each meeting.
- Accounts were reconciled monthly on receipt of statements.

Financial requirements:

- Standing Orders & Financial Regulations had been reviewed in March 2023 and copies on website.
- Payments in the ledger were supported by invoices and minuted and authorised at the relevant PC meetings against a monthly payment list,
- VAT is appropriately recorded and reclaimed annually.
- There was evidence of internal control throughout the process.
- There were no S137 expenses noted.

#### Risk Management:

- The annual Risk Assessment was carried out in March 2023 and copy on website. ***I would recommend the copy be signed and dated.***
- Insurance was reviewed annually but on a 3 year term, due for renewal May 2024..
- Scanning the minutes there didn't appear to be any unusual activity.
- There was evidence of regular weekly inspections of play equipment, recreation grounds etc.
- The Council operates payments using electronic banking and the Clerk is still responsible for loading and approving all payments through the bank, however, it was noted that an additional process had been introduced whereby the payments are checked once made to ensure they match the approved list. ***Whilst this does not fully cover the point raised in the past 4 Internal audits it does evidence that a review has taken place and the council are satisfied that this adds a level of security and reduces the risk. Item therefore closed.***

#### Precept & Budget

- The annual Budget and Precept were discussed and approved January 2023 and displayed on website.
- There were noted reserves, which were all satisfactorily displayed.

#### Income:

- There is no income from Cemeteries, Allotments or Halls.

#### Petty Cash

- No Petty cash is held.

#### Salaries / Employees:

- There was only one employee, the Clerk who had a contract of employment.
- Salary payments, including Tax, NI & Pension details were recorded within the accounts system.
- The Council is registered with the Pension Regulator.
- Clerk salary was reviewed annually.

#### Asset Control:

- An up-to-date Asset register was viewed and all in order however, it was noted the copy on the website is dated 2021, ***up dated copy needs adding to website.***
- There are several Deeds, Articles or land registry documents, some held by the clerk others with a solicitor. ***I would recommend at some point these all be listed and noted by the council.***

#### Accounting Statements:

- Bank accounts and statements are prepared throughout the year, debtors & creditors recorded correctly and there was evidence of a financial trail throughout.
- On the sample payments taken there was evidence of control with all being approved in Council, minuted and paid accordingly.
- The Yearend accounts had been prepared, bank statements and ledgers reconciled, these will be signed off at next PC meeting.
- This year's sections 1 & 2 of the Annual Return had been drafted for signing at the next PC meeting.

#### Transparency:

- The following were displayed / published on the website:
  - End of year accounts / Accounting Statement, Annual Governance Statement for last year, Internal & External Audit reports, Asset Register (2021) & Expenditure over £100
- Agendas and meeting papers are published as required and draft minutes were generally issued within one month.
- Councillor specific responsibilities are being reviewed and will be added to website after next PC meeting.
- The PC website appears to be regularly updated by the Chair or the provider 77 Rokat; ***however, I would again recommend a review of the site and updating process as it is very difficult to navigate and find information.***

#### Exercise of Public Rights:

- "The Notice of Public Rights" was issued and displayed on the website as required.

AGAR Publication for prior year:

- The AGAR Annual Governance & Accounting Statement documents were displayed on the website for 2021/2022 as required.

Trust Funds:

- The Clerk confirmed the Council were sole trustees of the Village Hall, there is a separate committee which holds independent minuted meetings, runs the hall and controls their finances etc.
- Clerk confirmed this is in line with the Trust deeds and listed on the Charity Commission website and Charity Commission requirements are up to date.

Miscellaneous:

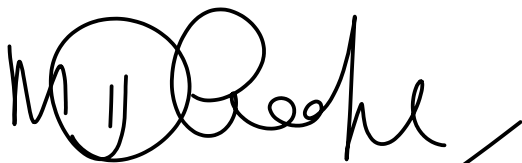
- There was evidence confirming the previous internal & external audits had been reviewed.
- Clerk confirmed electronic files are backed up regularly.
- Members interests were displayed on the NWLDC website and will be reviewed following elections.
- The Equal Opportunity Policy and the Complaints process were both on the website and will be reviewed again in May 2023.
- Minutes were initialled by page and signed by the chair at each meeting.
- There were no subcommittees.

Annual returns:

- The annual return section 2 details (Y/E 31<sup>st</sup> March 2023) are set out at the end of this document.

In conclusion, I would like to thank the Clerk Fiona for her support during the auditing process and present this report as my Internal Audit findings.

Yours sincerely,



Martin Cooke (Internal Auditor to the Council) Mob: 07809 466500 [martindcooke23@gmail.com](mailto:martindcooke23@gmail.com)

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

	<b>Year ending 31 March 2022</b>	<b>Year ending 31 March 2023</b>
1. Balances brought forward	£54,934	£41,035
2. Annual precept	£14,348	£15,754
3. Total other receipts	£4,074	£1,107
4. Staff costs	£9,861	£8,502
5. Loan interest/capital repayments	£0	£0
6. Total other payments	£22,459	£12,968
7. Balances carried forward	£41,035	£36,426
8. Total cash and investments	£41,035	£36,426
9. Total fixed assets and long-term assets	£41,300	£41,300
10. Total borrowings	£0	£0