

Internal Audit Report

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

Name of council:	Lowick & Slipton Parish Council		
Name of Internal Auditor:	Claire Tilley	Date of report:	6-4-2021
Year ending:	31 March 2021	Date audit carried out:	6-4--2021

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 carried out a virtual Internal Audit meeting with the Parish Clerk Nicki Phillips on the 6th April. Prior to this, I had carried out an audit on the website.

I examined the bookkeeping, via the Income and Expenditure Spreadsheet, and through a thorough search of the minutes and policies, was able to assess risk management, budget procedures, asset control and the general performance of the Parish Council. Upon consideration of all the Internal Control Objectives on the Annual return, I am satisfied and happy that they can all be signed off.

There are a number of other minor points that I would draw your attention to:

Transparency Code- although all relevant paperwork is available on the website it appears this was not uploaded until recently. I am aware that the website was upgraded recently, and that the forms were updated on the old website in a timely fashion, so I have no concerns but wished to address this fact in case of any queries

The Asset register on the website is out of date, but the Clerk produced the current one, which has been updated to reflect the increased asset value shown on the Annual Return Accounting Statements. I understand that upgrading the website is a lengthy process and am quite certain that Nicki will have it fully updated shortly

Budget/Precept process. Although both the budget and precept amount were correctly minuted, it is good practice to explain any discrepancy between the two. In this instance the precept demand is lower than the budget, so may necessitate the need to use reserves.

During my transaction spot check, it was discovered that a councillor had paid a contractor themselves, as they would not accept a cheque, then requested reimbursement from the clerk between meetings. An email trail validated this, and an invoice produced, but the payment should have gone to a meeting for prior authorisation.

In this very difficult and unusual year, the Clerk had made every effort possible to ensure all invoices/minutes were signed off, but some understandably had not. I am however quite satisfied that the council operated correctly with due regard for the spending of public monies. I congratulate Nicki on continuing to advise and help the council in a very professional manner.

Yours sincerely,

A handwritten signature in blue ink that reads "C. Tilley". The signature is written in a cursive style and is positioned on a light blue rectangular background.

Ms. Claire Tilley
Internal Auditor to the Council
01536 791893
claire@renaissancebusiness.co.uk

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

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	19021	10475
2. Annual precept	4200	6070
3. Total other receipts	4582	6681
4. Staff costs	1274	2959
5. Loan interest/capital repayments	1000	2000
6. Total other payments	10054	7409
7. Balances carried forward	10475	10858
8. Total cash and investments	10475	10858
9. Total fixed assets and long-term assets	10074	11372
10. Total borrowings	9000	7000

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. 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-2020-2.pdf>