

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		
Name of Internal Auditor:	Claire Tilley	Date of report:	11-4-23
Year ending:	31 March 2023	Date audit carried out:	11-4-23

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 had a virtual meeting with the Clerk today, which concluded my works auditing the governance and finances of the Parish Council. I would like to thank Nicki for her help and co-operation.

My report is an annex to the Annual Internal Audit report, which forms part of the AGAR. I found I was able to agree that all the relevant Internal Control Objectives were achieved and am happy to sign off the AIAR.

For completeness, I make the following comments with regards to these objectives.

- A. Appropriate accounting records- *The accounts spreadsheet was up to date and all figures correctly carried over to the Annual return.*
- B. Authority complied with financial regulations, payments, invoices and expenditure approved- *The relevant regulations and policies were in place. VAT evidence of recording and claiming was seen on the cash book. I did wonder why when online banking facilities were available this was not utilised. However, Nicki explained that as there was only one approving signatory required for online transactions, that it felt less 'risky' to continue the use of cheques for most items, as there were more controls over these.*
- C. Risk assessment- *An annual risk assessment was carried out in May 2022, Minute ref 22.05/575 and relevant Insurance cover is in place. Pocket Park monitoring is carried out weekly and reported at meetings.*

- D. Precept and budget- *an adequate budgetary process was carried out in October-minute ref 22.10/648- however, for better transparency, a brief explanation- or inclusion of the budget with the minutes would be better. The budget and precept figures were minuted in November- again I would suggest the inclusion of a brief explanation of the decision making process.*
- E. Expected income- *the only expected income of the precept was correctly received.*
- F. Petty cash- *the council does not use Petty Cash*
- G. Salaries- *The Clerk runs payroll using the HMRC BASIC tools, all was in order, and submission data seen.*
- H. Asset/Investment register- *The asset register on the website was updated in May- but the amount stated on the AGAR had increased substantially from the previous year, with no obvious purchases. Upon further investigation, it transpires that Nicki had to reassess assets as historic register was incorrect. Correct values of assets have now been recorded, hence the increase.*
- I. Bank reconciliations- *these were done on a regular basis, and bank balances were reported on at least three occasions.*
- J. Accounting – *The cashbook was prepared on a receipts and payments basis, which is correct. I selected three transactions for an audit trail, and all paperwork was in order*
- K. Audit exemption- *The declaration was correctly made and seen on the website.*
- L. Publication requirements- *All paperwork was published within the relevant dates on the website.*
- M. Exercise of Public Rights- *this declaration was seen on the website and had the correct dates*
- N. AGAR publication requirements- *Sec 1,2 and the Internal report of the AGAR were published on the councils website within the timeframe*
- O. Trust funds- *None held at present*

Yours sincerely,

Ms Claire Tilley
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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	10858	10414
2. Annual precept	6715	8300
3. Total other receipts	302	2075
4. Staff costs	3773	3607
5. Loan interest/capital repayments	2000	2000
6. Total other payments	1688	3596
7. Balances carried forward	10414	11586
8. Total cash and investments	10414	11586
9. Total fixed assets and long-term assets	11372	13689
10. Total borrowings	5000	3000

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (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. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2022-8.pdf>