

Internal Audit Report

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

Name of council:	Stanton under Bardon Parish Council		
Name of Internal Auditor:	Cathy Walsh	Date of report:	19 May 2023
Year ending:	31 March 2023	Date audit carried out:	19 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:

I completed the year-end audit of the council remotely on 19 May 2023. I would like to take the opportunity to thank Joanne Lowe (Clerk & RFO) for her co-operation and assistance in delivering the council's internal audit.

In preparation for the audit, I examined the publicly available information displayed on the council's website, including the council's policies, procedures, agendas, minutes, financial and other records. I sought evidence to confirm that the previous year's Internal and External Audit reports had been properly reported to the council and where necessary acted upon by the council. I am pleased to note the council has addressed the majority of the recommendations I made in my report last year.

During the audit I also examined the council's arrangements for the management and control of its business in the areas of bookkeeping, due processes (i.e. compliance with the proper practices as set out in the JPAG Practitioners Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control, year-end procedures and compliance with the publication requirements of the 2021/22 AGAR.

Joanne is very new to the role of Clerk and RFO for the council. She was appointed in February 2023. It is clear that in the short time she has been in post she has made significant improvements in council's

arrangements for the management and control of its business and is keen to address any outstanding areas. This is especially true of the council's website, which is now easy to navigate and up to date in most areas.

Following completion of the council's audit I make the observations and recommendations below:

Meetings

(a) The council does not record the meeting start time in its Minutes. This is contrary to the council's Standing Orders. See Standing Order 3Y(i).

(b) The council's Standing Orders (5J) state the business the council should include at its annual meeting. This includes the review and adoption of appropriate standing orders and financial regulations. This was not done at the annual meeting in May 2022. However, I note that these are due for review at the annual meeting in May 2023.

Financial Reporting

It is considered good practice to record details of bank balances and reconciliation in the minutes on a regular basis, this enables the information to be made available to the public and enhances the transparency of the council's financial situation. Both internal and external audit look for a minute as the (best) evidence of the council having done something, so the most appropriate place to find details of the bank balance is in the minutes.

Standing Orders

The council's Standing Orders are out of date. The published Standing Orders are those made in light of changes to legislation in response to the coronavirus pandemic under the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 which allowed local councils to hold remote meetings. The regulations allowing remote meetings was revoked on 07 May 2021.

Risk Management

The clerk has confirmed that the council's risk assessments are out of date. This is an area under review and to be addressed at the annual meeting in May 2023. I note that the council does instruct RoSPA to undertake an annual safety inspection of Stanton Under Bardon Recreation Ground Play Area with the last inspection taking place on 10 June 2022.

Staff Contracts

The council employs two members of staff. The clerk has been issued a contract of employment. However the second member of staff does not have a contract of employment, only a letter of appointment has been provided. The letter of appointment briefly outlines a limited number of key terms of employment. This does not comply with current regulations, as the majority of required information that sets out an employee's employment conditions, rights, responsibilities and duties is missing. The Council may be at risk of an employment tribunal claim in its lack of compliance in this area. The clerk has confirmed this is an area she is looking to address and will seek advice from LRALC.

Transaction Spot Check

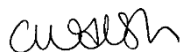
As part of my assessment of compliance of the accounting records (question A in the AIAR) I sought to verify a sample of the council's transactions. For one item, neither the invoice (Amazon purchase, payment value £17.98) nor details of the item purchased were available. Because I was able to verify the remainder of the items sampled, I have answered 'yes' rather than 'no' to question A. But this must serve as a cautionary reminder to all concerned in the verification of the council's expenditure of the need for vigilance in this important aspect of financial management.

Recommendations have been made within this report to enhance and strengthen the internal controls that exist.

I am pleased to be able to report that I am satisfied that in all significant respects, the internal control objectives I am required to consider were achieved throughout the financial year to a standard adequate to meet the needs of the council.

Accordingly, I have completed and signed off the Annual Internal Audit Report of the AGAR as required.

Yours sincerely,



Mrs Cathy Walsh

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	152,828	113,989
2. Annual precept	12,235	12,358
3. Total other receipts	140,108	26,424
4. Staff costs	6,518	6,742
5. Loan interest/capital repayments	0	0
6. Total other payments	184,663	20,861
7. Balances carried forward	113,989	125,168
8. Total cash and investments	113,989	125,168
9. Total fixed assets and long-term assets	1,048,778	1,048,778
10. Total borrowings	0	0