

Annual Internal Audit Report

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

Name of council:	Collingtree Parish Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	14 th June 2023
Year ending:	31 March 2023	Date audit carried out:	14 th June 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 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 to the Parish Clerk for supplying me with the information I requested to carry out this Annual Internal Audit. I have spoken with the Clerk via Zoom and conducted the audit remotely.

Results

The work completed is identified in the table below and action required is highlighted:

Area of Work	Observations/Points
Adoption of Policies	Key policies were adopted at the Parish Council meeting in May 2022. The Council have adopted a new Social Media Policy NOTE: I cannot see any evidence that the Financial Regulations have been amended as per my Internal Audit report last year. The website still shows the policy adopted in 2020 I have advised the Clerk it is best now to wait until the new Financial Regulations have been issued by NALC for a full review. They will need adopting in this financial year I have advised the Clerk to check Health & Safety & Fire Risk assessments to ensure the new build is appropriately covered
Accounting Records	The Accounts were re-worked during the financial year and the correct carry forward figure was rolled over
Asset Register	The Clerk is going to re-work the Asset Register as there appears to be some inconsistencies

	NOTE: I have advised the Clerk to obtain a new valuation of the Sports Pavilion for insurance purposes
Bank reconciliations	Bank reconciliations were reviewed and confirmed to be done on a monthly basis with due care and attention. Bank balances were confirmed to statements as at the 31 st March 2023
Budget	The Parish Council has followed due process for the agreement of the Budget at the January 2023 meeting
Co-option	The Council's Co-option procedure follows due process
Earmarked Reserves	Earmarked reserves have been documented
Insurance	The Council has two insurance policies, one for the Parish Council & the other for the new build. When the buildings insurance cover expires the Clerk will look at amalgamating the two insurance covers together
Internal Control	Internal Control appears to have been regularly completed
Minutes of Meetings	The Minutes of meetings are much clearer. I have given the Clerk advise on minuting closed sessions & items which are protected by GDPR
PAYE	Payments to HMRC have been corrected with the appointment of a new PAYE contractor
Payments	Payments followed due process and have been accounted for correctly. I note the Council is changing it's bank account to Unity Trust Bank and will apply for a credit card through them
Precept	Due process was followed to agree the Precept Demand at the January 2023 meeting and was minuted at £44,000
Risk Assessments	The Parish Council's Risk Assessments were discussed & re-adopted at the May 2022 meeting
VAT	I note that the Council appointed a consultant to review the VAT position following the build. I have previously addressed this in my Audit Report
Website	The Council have decided to purchase a new website using 2Commune NOTE: all the policies on the existing website are out of date, dated May 2020 with review dates of May 2021
Year-end procedures	Year-end procedures were carried out in the correct manner

Summary

I could not see any evidence in the Minutes of any action regarding the information detailed in my Audit Report of 2021/2022; there was just a one-line statement of receipt. There were a number of areas of governance concerns in my report last year and I advised that the Council should take some expert advice on VAT. This has now been picked up by the new Clerk and I am confident going forward the Council will be better managed, and governance won't be an issue.

In my opinion the Council's books and records are now in good order and follow due process. It is obvious that the new Clerk has made some significant changes which is good to see.

I wish the Parish Council a very successful 2023/2024 and look forward to returning in 2024 to carry out the Annual Internal Audit.

Yours sincerely,

Tina Charteress

Mrs Tina L Charteress CILCA
Internal Auditor to the Council
07818 084231
tcharteress@gmail.com

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	103,870	93,777
2. Annual precept	27,000	27,000
3. Total other receipts	216,172	9,944
4. Staff costs	10,652	13,686
5. Loan interest/capital repayments	0	0
6. Total other payments	242,613	37,936
7. Balances carried forward	93,777	79,099
8. Total cash and investments	93,777	79,099
9. Total fixed assets and long-term assets	299,883	335,766
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 (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>