

Northants CALCISA

End of year Internal Audit Report

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

Name of council:	Litchborough		
Name of Internal Auditor:	Dianne Isaacs	Date of report:	13/05/22
Year ending:	31/03/22	Date audit carried out:	04/05/22

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.

Clerk

Vivien

Hartley is the appointed Clerk and RFO to the Council Chairman to the Council:- Cllr Tim Sykes was elected Chairman of Litchborough Parish Council at the Annual meeting in May 2021 Cllr David Aked-Walker was elected Vice Chairman.

To the Chairman of the Council:

External audit PKF 2020/21

The Council's income /expenditure was less than £25,000 for the 2020/21 financial year and the Council declared they were exempt from a limited insurance review. The Clerk completed Part 2 AGAR and published the relevant documents on the Council's website

Interim 16.02.2022 Internal audit

Evidence of Internal control

Review of effectiveness

Regulation 6 of the Accounts and Audit regulations 2015 requires the Council to conduct each financial year a review of the effectiveness of their system of Internal control.

The Council is in the process of reviewing the effectiveness of their Internal control system.

Recommendation:- It is essential that the Council has proper arrangements for safeguarding their resources.

Parish Council Assets

There were no additional assets purchased to 31.03.2022

Total assets recorded in Section 2 (9) - £23920

Insurance Cover

The Council secured competitive insurance from Came and Co at a cost of **£ 368.28**

Fidelity Insurance is set at **£160,000**

Minutes of Meetings

I checked the minutes of Council meetings to 31.03.2022 and there were no unusual activities that came to my attention.

Due Process

Financial regulations and Standing Orders

The Council adopted their Financial regulations and Standing Orders at the May Annual meeting of the Council.

Code of Conduct

The Council has adopted an up to date Code of Conduct.

Annual risk assessment

The Council has reviewed their arrangements to manage identified risks in May 2021 and has a Risk assessment document in place to achieve their objectives.

GDPR

The Council has appointed a D.P.O through Ncalc and adopted all relevant Data Protection policies.

The Clerk has registered with I.C.O and paid the annual fee of £35.00 in November 2021

Precept

The Council has agreed a Precept of **£10,000** to support its 2021/22 budget and recorded correctly in the Receipts and Payments account.

Staff costs

The Clerk Vivien Hartley is the sole employee to the Council.

The Clerk is employed for 16hours a month and her salary has been agreed with Council approval and in the Council's minutes.

Total staff costs £2280

V.A.T

V.A.T **£ 428.78** received from HMRC is recorded in the Receipts ledger

Accounts Ledger

The accounts are prepared on the correct accounting procedure – Receipts and Payment basis.

An audit trial was carried out on several Receipts and Payments entries in the Accounts ledger, the Minutes of the Council and the Bank statements.

Income – £ 6,351.58 Cill Payment.

Bank accounts

Cllr Sykes and Cllr Aked-Walker are the cheque signatories for the Council.

The Council are in the process of changing to On- line banking.

There were no unexplained balancing entries from the accounts to the Council 's bank statements at 31.03.2022

Nat West £ 26157.07

Camb building society £ 1013.84

Less outstanding cheques £ (1112.80)

Total balance at 31.03 .22 £ 26,058.11 Recorded correctly in Agar Section 2 (7) (8)

Recommendation

It is important the Clerk has access to Bank statements on a regular basis and particularly at year end. Bank reconcilliation is a key tool for management of the Council's finances .

Publication requirements

The Council must approve Section 1 of the AGAR before Section 2 and both must be minuted and published on the Council's website before 1st July 2022.

Dianne Isaacs – Internal auditor Ncalc

Email:- di.isaacs01@gmail.com

07790269798 01327 831243

The figures submitted in the Annual Governance and Accountability return 2021/22

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	9342	15940
2. Annual precept	10000	10000
3. Total other receipts	5073	9007
4. Staff costs	698	2280
5. Loan interest/capital repayments	-	-
6. Total other payments	7777	6609
7. Balances carried forward	15940	26058
8. Total cash and investments	15940	26058
9. Total fixed assets and long term assets	23920	23920
10. Total borrowings	-	

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.pdf>