

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:	09/05/23
Year ending:	31/03/23	Date audit carried out:	09/05/23

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.

Clerk**Chairman to the Council:-**

***Vivien Hartley is the appointed Clerk and RFO to the Council
Cllr Tim Sykes was elected Chairman of Litchborough Parish
Council at the Annual meeting in May 2022
Cllr David Aked-Walker was elected Vice Chairman.***

To the Chairman of the Council:**External audit PKF 2021/22**

The Councils income /expenditure was less than £25,000 for the 2021/22 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 Internal audit 02/23**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.

Cllr Lowery carried out an internal control check in March and confirmed that there are issues with Nat West and the Clerk having access to Bank statements and this was causing delays with balancing the accounts.

Annual risk assessment

The Council has reviewed their arrangements to manage identified risks in May 2022 and has a Risk assessment document in place to achieve their objectives.

Insurance Cover

The Council secured competitive insurance from Came and Co at a cost of **£ 418.39**
Fidelity Insurance is set at **£150,000**

Code of Conduct

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

Due Process

Financial regulations and Standing Orders

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

Note :-The Council to amend their Financial regulations for expenditure when payments are made on line rather than cheque payments

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 2022

Parish Council Assets -

£1 nominal value for 2 solar panels for VAS device.

Total assets at 31.03.23 - **£23921**

recorded in the AGAR (9)

Minutes of Meetings

I checked the minutes of Council meetings to 31.03.2023 and there were no unusual activities that came to my attention.

Precept

The Council has agreed a Precept of **£10,000** to support its 2022/23 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 16 hours a month and her salary has been agreed with Council approval and in the Council's minutes.

Total staff costs- £2884

V.A.T

V.A.T **£ 541.56** 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.

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 31/03/23

Unity Bank	£22193.00	
Cambridge	1018.00	
o/s cheques	(1593.00)	
Total	£21618.00	Recorded in AGAR (7) (8)

Banking arrangements

In September the Council agreed to set up On-line banking with Unity Bank

Cllr Skyes , Cllr Aked Walker and Cllr Lugat- Mawson to be authorised signatories.

Initial payments to be authorised by 2 Signatoires.

The Clerk is authorised to set up payments up to £200.

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 2023.

Dianne Isaacs – Internal auditor Ncalc

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The figures submitted in the Annual Governance and Accountability return 2022/23

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	15940	26058
2. Annual precept	10000	10000
3. Total other receipts	9007	703
4. Staff costs	2280	2884
5. Loan interest/capital repayments	-	-
6. Total other payments	6609	12259
7. Balances carried forward	26058	21618
8. Total cash and investments	26058	21618
9. Total fixed assets and long term assets	23920	23921
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 (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-2020.pdf>

