

Internal Audit Report

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

Name of council:	Oakthorpe, Donisthorpe & Acresford Parish Council		
Name of Internal Auditor:	Martin Cooke	Date of report:	27 th April 2023
Year ending:	31 March 2023	Date audit carried out:	22 nd March & 25 th April 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:

This internal Audit report was compiled following several independent tests / checks being undertaken using various financial records, documents, minutes etc both through the official website and during an audit meeting with your Clerk Kelly Grove on the 25th April 2023.

The following topics were reviewed against our standard checklist format:

Observations from last year's Internal Audit:

- A number of observations / recommendations were noted as follows:
 - Review of website, **resolved**.
 - Councillor responsibilities, **resolved**.
 - Members Interest, **resolved**.
 - Joint Burial Committee (JBB) Finances, **resolved** see comments in report.

Accounting records:

- All details were recorded in the electronic Scribe system, and all appeared to be in order.
- Bank balances were reviewed regularly and issued to councillors quarterly.
- Accounts were reconciled monthly on receipt of statements.
- Accounting records of the JBB were reviewed and a defined value / percentage based on band "D" properties was noted as being part of the council's income and expenditure in the end of year accounts. (see note under annual return).

Financial requirements:

- Standing Orders & Financial Regulations had been reviewed in May & June 2022 respectively and copies on website.
- Payments in the ledger were generally supported by invoices and minuted and authorised at the relevant TC meetings against a listed monthly payment schedule,

- VAT is appropriately recorded and reclaimed annually.
- There was evidence of internal control throughout the process.
- There were 3 recordings of S137 expenditure.

Risk Management:

- The annual Risk Assessment was carried out in May and minuted accordingly.
- Insurance was reviewed and will be renewed June 2023.
- Scanning the minutes there didn't appear to be any unusual activity.
- There was evidence of regular inspections of play equipment, recreation grounds etc.

Precept & Budget

- The annual Budget and Precept were discussed and approved December 2022 and displayed on website.
- There were noted reserves, including IT and Moria Ground project.

Income:

- There is no income from Allotments other than a peppercorn rent paid annually by the Allotment society.
- No income from Halls, but there is a small income noted for the football field.

Petty Cash

- No petty cash is held.

Salaries / Employees:

- There was only one employee, the Clerk who had a contract of employment.
- Salary payments, including Tax & Pension details were recorded within the Scribe accounts system.
- The Council is registered with the Pension Regulator.
- Clerk salary is reviewed annually>

Asset Control:

- An up-to-date Asset register (31st April 2023) was viewed and is displayed on the website, with noted slight increase in value.
- Any Deeds, Articles or land registry documents are held in the Council office safe.
- It was noted that there were some small areas of land that require confirmation of ownership and the clerk was undertaking the project to get this resolved.

Accounting Statements:

- Bank accounts and statements are prepared throughout the year, debtors & creditors recorded correctly and there was evidence of a financial trail throughout.
- On the sample payments taken there was evidence of control with all being approved in Council, minuted and paid accordingly.
- The Yearend accounts had been prepared, bank statements and ledgers reconciled, these will be signed off at next PC meeting.
- This year's sections 1 & 2 of the Annual Return had been drafted for signing at the next PC meeting.

Transparency:

- The following were displayed / published on the website:
 - End of year accounts / Accounting Statement, Annual Governance Statement for last year, Internal & External Audit reports, Asset Register & Expenditure over £500
- Agendas and meeting papers are published as required and draft minutes were generally issued within one month.
- The PC website appears to be regularly updated.

Exercise of Public Rights:

- "The Notice of Public Rights" was issued and displayed on the website as required.

AGAR Publication for prior year:

- The AGAR Annual Governance & Accounting Statement documents were displayed on the website for 2021/2022 as required.

Trust Funds:

- The Clerk confirmed there were no official Trust funds in place.

Miscellaneous:

- There was evidence confirming the previous internal & external audits had been reviewed.
- Clerk confirmed electronic files are backed up regularly.
- Members interests were displayed on the NWLDC website and will be reviewed following elections.
- The Equal Opportunity Policy and the Complaints process were both on the website.
- Minutes were initialled by page and signed by the chair at each meeting.
- There are two subcommittees noted and a brief term of reference is in place.

Cemeteries:

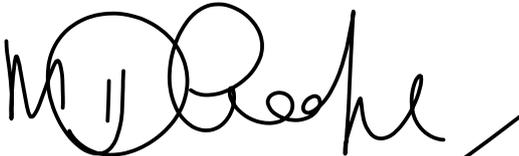
- There is no direct income from the Cemetery, this is through the Joint Burial Committee, details of income reviewed on JBB website and details included in end of year accounts statements and noted in restated AGAR return document.
- The above I believe covers the concerns raised last year by the Internal & External Auditors.
- There is a noted annual precept paid to the JBB, each year.

Annual returns:

- The annual return section 2 details (Y/E 31st March 2023) are set out at the end of this document.
- It was noted that the figures had been restated from last year to reflect the JBB percentages as suggested in the Internal and External Audit reports. However, I would question why the end of year balance figure included from the JBB is different from the opening balance from the JBB the following year which in effect distorts the restated AGAR details. It seems to be due to when the calculation of band "D" property is done, ***I suggest this calculation be carried out after the 1st April each year thus ensuring the closing and opening balances would be the same.***
- A variance report was viewed detailing the affect the inclusion of the Joint Burial Committee finances had had on the figures displayed.

In conclusion, I would like to thank the Clerk Kelly for her support during the auditing process and present this report as my Internal Audit findings.

Yours sincerely,



Martin Cooke (Internal Auditor to the Council)
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The restated figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	£109,504	£93,803
2. Annual precept	£81,000	£81,000
3. Total other receipts	£33,474	£29,658
4. Staff costs	£36,207	£21,786
5. Loan interest/capital repayments	£0	£0
6. Total other payments	£77,442	£100,481
7. Balances carried forward	£110,329	£82,194
8. Total cash and investments	£110,329	£82,194
9. Total fixed assets and long-term assets	£792,165	£860,970
10. Total borrowings	£0	£0