

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:	Catherine Camp	Date of report:	10/05/24
Year ending:	31 March 2024	Date audit carried out:	10/05/24

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. 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 carried out an Internal Audit of Oakthorpe, Donisthorpe & Acresford Parish Council on 10th May 2024 mainly by an examination of the information provided on the parish website. I found the website easy to navigate, and the paperwork attached to each Agenda was very comprehensive. My thanks to the Parish Clerk/RFO, Kelly Grove, and the Burials Clerk Sue Beirne, for being available to discuss matters via a video zoom call.

I firstly asked for clarification on how the Joint Burials Board (JBB) operates. I was informed that legislation had changed in 2020 requiring Cemeteries to be assigned to a Town/Parish Council. The Burials Board Committee meets on a quarterly basis and is represented by Councillors from both Councils who use the Cemetery. Each Council pays into a joint fund to cover the cost of Administration and maintenance. Their contribution is based on the number of properties in their parish.

Following instruction from the External Auditor the funds held by the JBB on behalf of the parish are included within the balances of the Parish Council and reflected on the AGAR s2. They are not shown on the Parish Council Scribe Bank Reconciliation sheet.

To ensure that the Bank Reconciliation reflects the total monetary position of the council I suggest that a JBB Holding fund figure be included on the parish Scribe system.

To enable each Council to account for the funds held by JBB, the Burials Clerk agreed to produce a quarterly report showing the proportion held for each contributing council.

Following clarification with the Burials Clerk I am satisfied that the Burials Clerk is maintaining records, following correct procedure and keeping comprehensive records and accounts on behalf of the parish.

I suggested that the Burials Clerk should provide each Clerk with Computer passwords, and basic access information to records as set out in the Parish Council Financial Regulations 6.11 to allow business continuity if required.

My thanks to Sue for her help and cooperation in providing the information I sought.

I examined the Parish Council Book-keeping, Due Process, Risk Management, Bank reconciliations, Internal Control and performed a detailed scan of the minutes via the website. I also sought evidence that previous Audit recommendations had been actioned.

The Council Minutes sometimes contain so many acronyms that it is difficult to clearly follow what is being discussed. Likewise, when it becomes necessary to enter confidential session, a brief explanation of the topic to be debated should be included.

Councillors need to be careful to ensure that when they approve minutes as a correct record of events that any inaccuracies are pointed out and recorded since the minutes form a permanent record of Council proceedings.

This council has good financial controls in place, and this is reflected in the minutes. I note that Councillors have on occasion purchased items on behalf of the Council. This is **not** good practise and all purchases should be made by the Clerk. I am pleased to see that the Council now has a credit card with a limited spend for use by the Clerk. This will ensure that all purchases can be made from Council funds going forward.

The Clerk has a contract of employment. It would be sensible to review the contract in line with the NALC/SLCC standard contract to ensure that it fully reflects the clerks role.

The Clerk produces her own Pay slip using HMRC Basic Tools, but I am satisfied that this is checked each month by a Councillor prior to payment and drawn up in line with an agreed Spinal Column point of pay and hours of work.

Following the Election in May 2023, the Council no longer has sufficient elected Councillors to allow them to hold the General Power of Competence. This means that where a Council is to rely on the *Free Resource*, s137 of Local Government Act 1972 there is a lengthy resolution that should accompany that Minute at the time the decision is made to incur the expenditure. This is detailed in "Arnold-Baker on Local Council Administration".

It is evident that this Council is keen to engage with its Community and improve wherever they can to become more transparent and provide a good service to its electorate. To this end the Clerk may consider recording the powers to pay against the spend to ensure that there is a legal power in place for all the financial decisions reached.

Having tested all of the objectives of internal control as set out in the Annual Internal Audit Return through the examination of the evidence provided and discussion with Kelly I am satisfied that the Council has met the requirements and I have signed off the AIAR as required.

Have comments from the internal audit 2022-2023 been addressed?

Recommendation 2022-2023	Comment
Calculate the % payment to the Joint Burial Board based on Band D property numbers after 1 st April each year.	This is being done.

Areas in the 2023-2024 AGAR Annual Internal Audit Report for which Yes or N/A cannot be ticked

	Reason
A	
B	
C	
D	
E	
F	No covered - NO PETTY CASH HELD
G	
H	
I	
J	
K	Not covered – does not apply to this council
L	
M	
N	
O	N/A - NO TRUST FUNDS

Recommendations for action 2023-2024

Areas for consideration or improvement	Recommendation
Include Joint Burial Board holding fund amount in the same way as bank accounts are recorded on the Bank Reconciliation to ensure that it reflects the monetary position of the council and tallies with the numbers on the AGAR section 2	Although the Joint Burial Board operates independently from the Parish Council it receives an annual grant to cover costs based on the number of properties in the parish from each council which uses it. The money held by the JBB on behalf of the council needs to be included on the AGAR to comply with previous External Auditors recommendations since I am informed by the Clerk that legislation requires a Cemetery to be assigned to the Parish or Town Council making use of it.
Ensure there is a system for business continuity of the Cemetery.	Burials Clerk to provide Parish Clerks with access information in line with 6.11 of Parish Financial Regs.
Make Minutes and Confidential Session content clearer	Explain acronymns used. Give a brief description of topic discussed and outcome.
Ensure Councillors do not purchase items on behalf of the Council.	All Council purchases should be made by the Clerk
Review Clerks Contract of Employment	Check it is in line with NALC/SLCC contract.
Ensure that the Council has the legal power to spend money	Clerk should record a full list of money received and payments made with the power against which it was made within the minutes.

Yours sincerely,



Mrs Catherine Camp
Internal Auditor to the Council

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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2023	Year ending 31 March 2024
1. Balances brought forward	93,923	82,314
2. Annual precept	81,000	85,313
3. Total other receipts	29,658	72,642
4. Staff costs	21,786	27,951
5. Loan interest/capital repayments	0	0
6. Total other payments	100,481	81,809
7. Balances carried forward	82,314	130,509
8. Total cash and investments	82,314	130,509
9. Total fixed assets and long-term assets	860,973	864,317
10. Total borrowings	0	0