

Internal Audit Report

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

Name of council:	Mears Ashby Parish Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	01.06.20
Year ending:	31 March 2020	Date audit carried out:	15.05.20

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 staff and management and not left for internal audit.

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 for sending documentation as requested enabling me to conduct the Internal Audit for the Council remotely due to the Covid 19 pandemic. Many thanks to the Parish Clerk, Mr Billingham for answering my questions and sending the extra information I requested on a number of occasions.

I examined Book Keeping, Due Process, Risk Management, Bank Reconciliations, Internal Control, Year End Procedure and performed a detailed scan of the minutes via the website. I also sought evidence that previous Audit Reports have been actioned.

I draw the Council's attention to the following comments which will require immediate attention:

- The Parish Council website is out of date (15.05.20); because of this I do not believe the Parish Council is complying with the Transparency Code 2014
- There is no evidence in the Minutes of the Parish Council approving the Annual Governance Statement and the Annual Accounting Statements for 2018/2019
- There is no evidence in the Minutes that the Council approved the Exercise of Public Rights
- The Minutes do not show the receipt of the Internal Audit Report for 2018/2019
- There is no evidence in the Minutes of any Internal Control
- The Accounts have not been managed properly; I question why they are showing bank adjustments and why there are so many unrepresented cheques at every meeting. Payments to HMRC do not appear to be regular. I am also concerned that the new Clerk has had to show two unrepresented cheques as refunds in the accounts as they have never been banked; one appears to be made out to a Councillor and the other, chq no: 000789, must have been issued during 2018/2019. The unrepresented cheque would have been out of date; it should have shown up in regular bank reconciliations and should have been picked up via Internal Control

Mears Ashby Parish Council has statutory duties to report Year End Procedures; it has not done so.

When reading the website and studying documents produced there has been a distinct change from last year's Internal Audit. The Minutes are inconsistent; some months reporting finance and reconciliations, some months not. Decisions are being made in Public Time which is unlawful.

Most of these errors should have been picked up during the Internal Control process; if this process had been in place, governance and finance would have been checked and these items would have not "slipped through the net".

I have suggested to Mr Billingham that he carries out a review of process and procedure and that he fully explains the role of Internal Control to Parish Councillors; I refer to Governance and Accountability for Smaller Authorities in England (2019) for further information – link below.

Please do not hesitate to contact me should you require further clarification of my comments and I wish the Parish Council a successful and safe 2020/2021.

This report is based on the evidence made available to me. 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. Consequently, the report is limited to those matters set out above.

Yours sincerely,



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 2019	Year ending 31 March 2020
1. Balances brought forward	5,922	6,798
2. Annual precept	13,500	16,000
3. Total other receipts	3,095	290
4. Staff costs	3,766	4,440
5. Loan interest/capital repayments	0	0
6. Total other payments	11,953	8,374
7. Balances carried forward	6,798	10,273
8. Total cash and investments	6,798	10,273
9. Total fixed assets and long-term assets	41,290	41,290
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 (2019)*. 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-2019.pdf>