

Annual Internal Audit Report

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

Name of council:	Denton Parish Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	8 th May 2024
Year ending:	31 March 2024	Date audit carried out:	3 rd May 2024

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.

To the Chairman of the Council:

Thank you very much to the Parish Clerk for supplying me with the information I requested to carry out this Annual Internal Audit. I have met with the Clerk on Teams and conducted the audit remotely.

Results

The work completed is identified in the table below and action required is highlighted:

Area of Work	Observations/Points
Adoption of Policies	Key policies were adopted at the Annual Parish Council meeting in May 2023
Accounting Records	A number of items in the accounts were attributed to the wrong accounting line and should not have appeared in the S137 column NOTE: I have asked the Clerk to make the changes to ensure the closed accounts for 2023 – 2024 are accurate
Asset Register	The Asset Register is an accurate reflection of council owned assets
Bank reconciliations	Bank reconciliations were reviewed and confirmed to be done on a monthly basis with due care and attention. Bank balances were confirmed to statements as at the 31 st March 2024
Budget	The Parish Council has followed due process for the agreement of the Budget which was set at the January 2024 meeting
Co-option	The Council’s Co-option procedure follows due process

Earmarked Reserves	Monies are reserved for a new play area project
Insurance	The Annual Insurance policy of £536.30 was paid to Zurich in August 2023. This formed part of the delegated payment resolution but I there is no evidence in the Minutes of this being reviewed by council. NOTE: the council needs to review it's insurance cover annually to ensure it is adequate. The process cannot be done by the Clerk and must be agreed at a council meeting
Internal Control	A Cllr was appointed at the May meeting to carry out Internal Control and this has been reported back to Council albeit irregularly
Minutes of Meetings	Minutes were reviewed and no errors were observed
PAYE	Payments to HMRC are being paid and are following correct procedures and calculated by a payroll provider
Payments	Payments followed due process and have been accounted for correctly. NOTE: the council does not have a scheme of delegation to enable the Clerk to make payments when the council doesn't meet. It would be good practise to adopt a delegation scheme setting criteria as to what the Clerk can/cannot pay
Precept	Due process was followed to agree the Precept Demand of £32,000 at the January 2023 meeting and was Minuted
Procurement	The council placed the contract for the emptying of bins and grounds maintenance out to tender in line with it's Financial Regulations. NOTE: The discussion for the appointment of the contractor should have taken place under closed session due to the commercially sensitive information received as part of the tender process
Risk Assessments	The Parish Council's Risk Assessments were discussed and re-adopted at the May 2023 meeting
VAT return	The balance as at 31 st March 2023. No errors were observed.
Year-end procedures	Year-end procedures were carried out in the correct manner.


Summary

The Council has changed its meeting calendar to holding full council meetings every other month. I advise the council to tweak some of its processes to ensure it can make the decisions it needs to, such as the insurance review and delegated payments.

I wish the Parish Council a very successful 2024/2025 and look forward to returning in 2025 to carry out the Annual Internal Audit.

Yours sincerely,

Tina Charteress



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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	44,284	48,251
2. Annual precept	25,000	29,000
3. Total other receipts	12,096	5,411
4. Staff costs	11,287	12,808
5. Loan interest/capital repayments	0	0
6. Total other payments	21,842	19,657
7. Balances carried forward	48,251	50,197
8. Total cash and investments	48,251	50,197
9. Total fixed assets and long-term assets	71,028	79,163
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 (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-2020-2.pdf>