

# Internal Audit Report

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

Name of council:	Wilby Parish Council		
Name of Internal Auditor:	Helen Hoier	Date of report:	28/04/2023
Year ending:	31 March 2023	Date audit carried out:	27/04/2023

*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 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 met with Vicky Smith (Clerk/RFO) on 27 April 2023 via Zoom to carry out the year-end audit of the Council. Upon examination of bookkeeping, due process, risk management, budget, payroll, asset control, bank reconciliations and year-end procedures; it is clear that every effort is made to ensure that the Council acts lawfully, transparently and in accordance with proper practices. Due to unforeseen circumstances however, the Council was not able to achieve one of the internal control objectives to an adequate standard during 2022/23. I am satisfied that this is an exceptional situation and that any issues raised in my report as a result are being addressed.

The Council has a turnover of under £25,000 and is therefore obliged to comply with the Transparency Code by publishing its financial and governance documents on its website. The Council is not currently eligible to use the General Power of Competence and as such understands that it must ensure it spends within its legal powers (particularly Section 137 under which there were items of expenditure in 2022/23).

## Issues raised in 2021/22:

- Not reviewing the Council's annual risk assessment within the 2021/2022 financial year resulting in a 'no' response to internal control objective C.
- Ensuring that the Council's internal controls and financial procedures with regards to accountability and transparency are as effective as possible for which suggestions included:
  - Obtaining a corporate credit card with defined limits to be cleared monthly by direct debit from the Council's main bank account.
  - Reviewing regularly governing documents in accordance with any changes in legislation and/or recommended good practice.

- Ensuring that the correct legal power to spend is used when checking details of the monthly schedule of payments.
- Confirming the Council's method of asset valuation to be applied consistently from year to year.
- Monitoring continually the Council's website to ensure content and links are current in compliance with the latest legislation and/or recommended good practice.
- Providing a hyperlink from the Council's home page to members' interests held on North Northamptonshire Council's website.

Issues raised in 2022/23:

- The Council certified itself as exempt from a limited assurance review in 2021/22 and published its financial data accordingly. However, as the inspection period was less than the minimum requirement of 30 working days, I am required to respond 'no' to internal control objective M.
- It is evident from governing documents and when speaking with the Clerk/RFO that the Council is fully aware of its responsibilities regarding public finances, especially with regards to accountability, governance and transparency. However, this could be even more effective by ensuring the following:
  - Recording clearly and regularly that the Council is carrying out its functions correctly which will demonstrate the Council's compliance with the latest legislation and/or recommended good practice more effectively.
    - Reviewing at least quarterly the Council's regular monitoring of actual performance against its budget.
    - Approving and recording in the minutes the reconciled balance of all bank accounts.

Other than the above matters, the Council appears to be performing well, with its business affairs managed properly by a very competent Clerk/RFO and committed Council members.

Yours sincerely



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

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	5,303	3,257
2. Annual precept	9,500	12,600
3. Total other receipts	3,336	2,303
4. Staff costs	3,735	4,201
5. Loan interest/capital repayments	0	0
6. Total other payments	11,046	7,566
7. Balances carried forward	3,257	6,393
8. Total cash and investments	3,257	6,393
9. Total fixed assets and long-term assets	30,435	30,435
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 (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-2022-8.pdf>