

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:	24/05/2024
Year ending:	31 March 2024	Date audit carried out:	17/05/2024

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:

I met with Vicky Smith (Clerk/RFO) on 17 May 2024 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 evident that one of the internal control objectives has not been achieved to an adequate standard in 2023/24.

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 2023/24).

Issues raised in 2022/23:

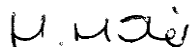
- Not allowing the minimum requirement of 30 working days for the inspection period resulting in a 'no' response to internal control objective M.
- Ensuring that the Council's internal controls and financial procedures with regards to accountability, governance and transparency are as effective as possible for which suggestions included:
 - 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.

Issues raised in 2023/24:

- The Council certified itself as exempt from a limited assurance review in 2022/23 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 noted that this is the second consecutive year that the inspection period has been less than 30 working days and recommended that the suggested dates on the pro forma provided by PKF Littlejohn LLP are adopted.
- 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:
 - Including an agenda item reminding Council members of the requirement to ensure that their Register of Interests is up to date at all times.
 - If required, approving formally and recording in the minutes any transfer of expenditure from one budget heading to another during the year (virement) in accordance with Model Financial Regulations (paragraph 4.2).
 - Reviewing previous internal audit reports to ensure recommended actions continue to be implemented:
 - Ensuring that the correct legal power to spend is used when checking details of the monthly schedule of payments.
 - Establishing a rota whereby a checklist is completed by a different member throughout the year in order to test specific internal controls and recording in the minutes any findings reported to the Council.

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



Mrs Helen Hoier
Internal Auditor to the Council
01536 330858/07721 778773
h.hoier_las@btinternet.com

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	3,257	6,393
2. Annual precept	12,600	13,200
3. Total other receipts	2,303	2,975
4. Staff costs	4,201	4,462
5. Loan interest/capital repayments	0	0
6. Total other payments	7,566	12,122
7. Balances carried forward	6,393	5,984
8. Total cash and investments	6,393	5,984
9. Total fixed assets and long-term assets	30,435	27,500
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 (2023)*. 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/practitioners-guide-2023>.