Leicestershire and Rutland ALC | IAS

Internal Audit Report

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

Name of council:	GREAT BOWDEN PARISH COUNCIL		
Name of Internal Auditor:	Catherine Camp	Date of report:	3RD June 2024
Year ending:	31 March 2024	Date audit carried out:	3rd June 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 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 met with Lindsey Wolstencroft (Clerk) and Paul Claxton (Responsible Financial Officer) on 3rd June 2024 to carry out an Internal Audit for Great Bowden Parish Council. The Internal Audit was carried out remotely by email and "zoom" video-conferencing. I would like to take this opportunity to thank Lindsey and Paul for their cooperation and assistance in delivering the audit.

I firstly examined the publicly available information displayed on the council's website including Agenda's, Minutes, Financial records, policy documents and procedures.

I then reviewed the Internal Audit report from last year, to see if the recommendations had been acted upon. I am pleased to see that the Annual return documentation for 2022/23 is on the website, and that the period for exercise of public rights was correctly applied last year.

I examined the council's arrangements for the management and control of its business in bookkeeping, risk assessment, budget setting and monitoring, payroll, Asset Register, Internal Control and year end procedures and compliance with proper practices as set out in the Practitioners guide.

I wish to bring the following matters to the attention of the council :-

It is a statutory requirement that every Councillor completes a Register of Interests form within 28 days of taking office, and that this is displayed both on the Parish and the District Councils website. At the moment there are only three Register of Interest forms shown on the District website. The Clerk said that this is due to inaction by the District Council, so I suggested that she ensures that the Register of Interests (RoI) for new Councillors is on the Parish website. HDC needs to chased to post RoI as soon as they receive them.

Councillor Claxton is acting as Responsible Financial officer for the Parish Council. This appointment needs to be confirmed by the Council and reviewed and re-appointed annually at the Annual Parish Meeting. It is best practise to re-confirm bank signatories at the Annual Parish Meeting. Standing Orders and Financial Regulations should also be reviewed and readopted.

The Council follows a budgeting process. Ensure that both the budget and the precept figures are clearly identified within the minutes.
The cashbook needs to show a separate column for LGA 1972 s 137 payments to ensure that they stay within the permitted spending level which is set by Government annually.

VAT was discussed. The Parish Council pay the Electricity Bill for the Cricket Pavilion from an invoice made payable to the Parish Council. As a Local Authority they can quite legitimately reclaim VAT on this invoice. It is not permissible for the Parish Council to repay the VAT claimed to the Cricket Club, as this could be seen as tax avoidance.

The Council needs to be registered with the Pensions Regulator.

The Council Financial Regulations need to be updated to cover online payment procedures once the updated NALC regulations have been published. It would be prudent to have a sealed envelope lodged with the Clerk which records the log in details and passwords for the Parish Bank Accounts as part of succession planning.

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

Recommendation 2022-2023	**Comment**
Post Register of Interests within 28 days	Ensure these are on GBPC and HDC websites
Gain understanding of when to declare an interest.	Arrange for Councillor Training
Manage committees correctly	Consider what is required
Review Policy documents (especially SOs and FR)	
Comply with Annual return requirements	Clearly minute each part of process and upload to website by 1 July.
Train the Clerk	Sign up to ILCA email: ilca@slcc.co.uk
Teach the Clerk to manage the Accounts as RFO	Sign up to FILCA SLCC | Financial Introduction to Local Council Administration (FILCA)

Recommendations for action 2023-2024

Areas for consideration or improvement	**Recommendation**
Improve financial transparency	List money received, payments made **and** the bank balance figure as part of the minutes.
	The budget and the precept figures need to be clearly identified within the minutes.
Financial Regulations should cover online payments	Annually Review Financial Regulations & SOs.
Keep website up to date	Upload updated policy documents.
Annually appoint Responsible Financial Officer	
Comply with Pension provision	Register with the Pensions Regulator
Succession Planning – ensure that Accounts can be accessed by someone else if necessary.	Keep log in and passwords for Accounts in a sealed envelope held by the Clerk

Not withstanding the points raised above, I confirm that having tested all aspects of the council's internal controls based on the information made available to me I am satisfied that in all significant respects the internal control objectives were achieved throughout the financial year.

Yours sincerely,

Catherine M Camp

Mrs Catherine Camp
Internal Auditor to the Council
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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	**N/A This Parish Council does not hold Petty Cash**
G	
H	
I	
J	
K	**NOT COVERED This council was not eligible to certify itself exempt**
L	
M	
N	
O	**N/A The Council is not a trustee of a Trust Fund**

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	122,699	44,909
2. Annual precept	35,000	38,000
3. Total other receipts	23,537	41,787
4. Staff costs	4,061	4,338
5. Loan interest/capital repayments	0	0
6. Total other payments	132,266	48,453
7. Balances carried forward	44,909	71,905
8. Total cash and investments	44,909	71,905
9. Total fixed assets and long-term assets	347,960	347,960
10. Total borrowings	0	0