

Internal Audit Report

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

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|---------------------------|--------------------------------------|-------------------------|--|
| Name of council: | Brafield on the Green Parish Council | | |
| Name of Internal Auditor: | Mrs TL Charteress | Date of report: | 30 th July 2020 |
| Year ending: | 31 March 2020 | Date audit carried out: | 23 rd June – 30 th July 2020 |

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. Thank you to the Clerk for providing the extra information I required and for help during the telephones I have made.

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

This being my first year as Internal Auditor to the Parish Council I have some concerns regarding process and procedure and the management of the accounts. I draw the Council's attention to the following comments:

- I was pleased to note the Council has acted on the recommendations of my predecessor and changed the planning process
- I note the Minutes have on occasion still shown the title of Bus Shelter Cleaner; this must be attended to and the correct name input into the payments list. Having spoken with the Clerk she has informed me that this role and the role of a litter picker are paid through PAYE; I believe from discussion with the Clerk that neither of these employees have a contract of employment
- The website is out of date (23rd June 2020). It is missing Minutes and is not compliant with the Transparency Code 2015. This was raised at the last Internal Audit and need addressing as a matter of urgency
- The Parish Council did not formally agree the Exercise of Public Rights which is a statutory requirement
- I am concerned about the management of the Parish Council's finances. The May 2019 meeting Minutes shows a list of payments with a number of duplicated cheque numbers and different payees for these cheque numbers. I am surprised the Council resolved to agree these minutes which are clearly wrong. When checking the Accounting Statements, I advised

the Clerk of an error in the accounts which were showing a contra entry. The Clerk has now amended the statements and I am pleased to note they have since been resolved by the Parish Council

- There is a £2 error from last year's year end in the carry forward figure on the AGAR
- There is no evidence in the Minutes of any Internal Control; had there been a process in place then a number of errors picked up in this Internal Audit would have been corrected. I note the Parish Council have ticked yes in box 2 of the Annual Governance Statement but I haven't seen any evidence in which I can agree with it
- The Council did not Minute the resolution of the Budget and the Precept demand properly. A clear resolution to agree the Budget should be followed by a resolution to agree the Precept demand
- The Council is not operating within its own Financial Regulations in relation to obtaining quotes/tenders for the purchase of new play equipment. P846 of the Minutes details a Councillor obtaining information to purchase new equipment for a play area. The Financial Regulations state the Clerk shall obtain three quotes for goods & services over the value of £3000; there is no evidence in the Minutes that three quotes were sort and no evidence of any procurement process. The Clerk should be managing this process and controlling the commercially sensitive information in line with the Council's Financial Regulations
- In May 2019 the Council discussed obtaining quotes to restore the war memorial; the Clerk was asked to obtain three quotes. In July the Minutes state the Clerk was waiting for correspondence from the Arch Deacon. In November a payment was made and the work had been completed. I cannot see from the Minutes there was a resolution passed to carry out this work

It is obvious from reading the Minutes that the Parish Council are active and wish to make a difference to their community. It is important to note however that Council business must be completed following due-process and I ask the Parish Council to tighten up in this area.

I wish the Parish Council a successful and safe 2020/2021 and look forward to returning to complete the Internal Audit next year.

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
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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 | 12,687 | 12,016 |
| 2. Annual precept | 13,000 | 14,000 |
| 3. Total other receipts | 6,661 | 1,939 |
| 4. Staff costs | 4,672 | 5,232 |
| 5. Loan interest/capital repayments | 0 | 0 |
| 6. Total other payments | 15,658 | 8,752 |
| 7. Balances carried forward | 12,018 | 13,971 |
| 8. Total cash and investments | 12,016 | 13,971 |
| 9. Total fixed assets and long-term assets | 97,982 | 97,982 |
| 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>