

Internal Audit Report

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

Name of council:	Greens Norton Parish Council		
Name of Internal Auditor:	David Harries	Date of report:	18 April 2024
Year ending:	31 March 2024	Date audit carried out:	16 April 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:

1. Introduction and Background

I carried out an audit of Greens Norton Parish Council, following an examination of the information provided on the web site. My thanks to the Parish Clerk/RFO, Linda Paice, for providing additional information on request.

Greens Norton Parish Council has twelve councillors with a quorum of four, and an electorate around 1400. There are two vacancies.

The Council has a Finance Working Group, which is advisory only with no delegated powers.

Standing Orders (based on the current NALC Model), Financial Regulations, Risk Management Policy, Complaints Procedure, Freedom of Information Scheme, Dignity at Work policy, Grant Aid policy, Media Protocol, Safeguarding, Training Statement of Intent, GDPR Policy and the NCALC terms of reference for internal audit were reviewed and adopted by the council.

As the council met the criteria, including the Parish Clerk's CILCA qualification, it was agreed to take up the General Power of Competence on 21 June 2021.

A Councillor has been appointed to the role of Internal Control Councillor (ICC) – referred to as Internal Verifier - to undertake regular examinations: scrutinising financial transactions, including chequebook/stubs and bank statements.

A precept of £96,166 (an increase of 16%) was agreed on 31 October 2022 after careful consideration of the budget requirements.

Section 1 (Governance) and Section 2 (Accounts) of the Annual Return were approved on 2 April 2024. The appropriate notice would be published and the Annual Return, together with the final bank reconciliation and an explanation of significant variations would be submitted by the required date. No issues were raised on the 2022-23 accounts.

An Asset Register is maintained with original purchase valuations as required by the Accounts and Audit Regulations 2011.

Insurance cover is reviewed annually. The existing cover, with Hiscox through Came and Co, is for the period from October 2023. The Council continues to omit street lighting.

The Minutes are loose leaf with each page signed.

An Edge IT package is used, from which the council receives regular budget reports. There is no separate petty cash account.

The minutes record all approved payments and show the amount of VAT when applicable and the legal power under which the expenditure is approved. Regular bank reconciliations are undertaken. VAT is normally reclaimed annually.

The council is registered with HMRC and PAYE/NI is calculated online using RTI.

2. Issues for Consideration

There are no issues for consideration.

3. General Conclusion

Through examination of evidence and questioning, I tested the internal controls and I am satisfied that effective systems of control are in place.

David Harries BEM
Internal Auditor

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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	64208	57063
2. Annual precept	82914	96166
3. Total other receipts	15868	18778
4. Staff costs	19885	21533
5. Loan interest/capital repayments	27256	13626
6. Total other payments	58786	53295
7. Balances carried forward	57063	83553
8. Total cash and investments	57063	83553
9. Total fixed assets and long-term assets	155643	159143
10. Total borrowings	38960	13302

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>.