

Internal Audit Report

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

Name of council:	East Goscote Parish Council		
Name of Internal Auditor:	Martin Cooke	Date of report:	20 th May 2023
Year ending:	31 March 2023	Date audit carried out:	31 st April & 18 th May 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 proper practices referred to in Accounts and Audit Regulations are set out in JPAG Practitioners Guide 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.

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:

This internal Audit report was compiled following several independent tests / checks being undertaken using various financial records, documents, minutes etc both through the official website and during an audit meeting with your Parish Clerk Liz Pizer on the 18th May 2023.

The following topics were reviewed against our standard checklist format:

Observations from last year's Internal Audit:

- Leave agendas on website. **Resolved**
- Review of Standing Orders. **Resolved**
- Invoice listings. **Resolved**
- Risk Assessment needs to be on website. **Resolved**

Accounting records:

- All details were recorded through the electron excel system and up to date.
- 2 Bank accounts were noted, balances were reconciled against monthly statements and presented to Council at each meeting.
- A well-managed process for bank payments is in place, all payments are verified against invoices prior to Council approval then once processed rechecked & approved by the Chair /r Vice Chair.

Financial requirements:

- Standing Orders & Financial Regulations had both been reviewed and both are on the website.
- Payments in the ledger were supported by invoices, minuted and authorised at the relevant PC meetings against a monthly payment list.
- VAT is appropriately recorded and normally reclaimed twice per year.
- There was evidence of internal control throughout the process.

Risk Management:

- The annual Risk Assessment was carried out in June 2022, and minuted accordingly.
- Scanning the minutes there didn't appear to be any unusual activity.
- Insurance details up to date and will be reviewed in May and renewed in September 2023.
- There was evidence of regular monthly inspections of play equipment, recreation grounds etc. and annual inspections are carried out by independent contractors. All findings are reported to Council and minuted for action where necessary.

Precept & Budget

- The annual Budget and Precept were discussed and approved at the 9th January 2023 meeting and recorded accordingly. Details are displayed on the website.
- Reserves were suitably noted as were several potential projects for the coming year.

Income:

- The Council receives NO income from the Cemetery, any Allotments or hall hire.
- Income from the football field is recorded accordingly in the ledger.

Petty Cash

- There is a cash float of £100, recorded appropriately and banked as necessary.

Salaries / Employees:

- There are 4 employees, all have contracts of employment.
- Salary payments, including Tax & Pension (where necessary), were recorded appropriately within the accounts system.
- Salaries were reviewed annually and minuted.

Asset Control:

- An up-to-dated Asset register was viewed with no changes to the previous year's details.
- Any Deeds, Articles or land registry documents are held in Council office.

Accounting Statements:

- 2 Bank accounts, statements are prepared throughout the year, debtors & creditors recorded correctly and there was evidence of a financial trail throughout.
- On the sample payments taken there was evidence of control with all being approved in Council, minuted and paid accordingly.
- The Yearend accounts had been prepared, bank statements and ledgers reconciled, these will be signed off at next PC meeting.
- This year's sections 1 & 2 of the Annual Return is to be drafted for signing at the next PC meeting.

Transparency:

- The following were displayed / published on the website: End of year accounts / Accounting Statement, Annual Governance Statement for last year, Internal & External Audit reports & Expenditure over £100
- Agendas and meeting papers are published as required and draft minutes were generally issued within one month.
- Councillor responsibility details are displayed on the website.
- The PC website appears to be regularly updated.

Exercise of Public Rights:

- "The Notice of Public Rights" was issued and displayed on the website as required.

AGAR Publication for prior year:

- The AGAR Annual Governance & Accounting Statement documents were displayed on the website for 2021/2022 as required.

Trust Funds:

- The Clerk confirmed that the Council had no legal obligations to any trust funds.

Miscellaneous:

- There was evidence confirming the previous internal & external audits had been reviewed.
- The Clerk confirmed electronic files are backed up regularly.

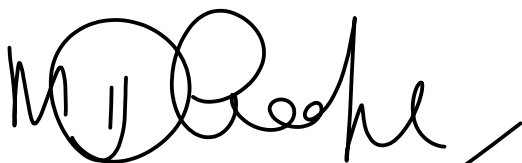
- Members interests were displayed on the website.
- The Equal Opportunity Policy & Complaints policy were both displayed on the website.
- Minutes were initialled by page and signed by the chair at each meeting.
- There were several S137 transactions noted, all had been approved in council within the relevant parameters and approved.
- There was only one committee “Staffing” which had agreed terms of reference.

Annual returns:

- The annual return section 2 details (Y/E 31st March 2023) are set out at the end of this document, a variance report had been produced, was reviewed and all in order.

In conclusion, I would like to thank the Parish Clerk Liz for her support during the auditing process and I present this report as my Internal Audit findings.

Yours sincerely,



Martin Cooke (Internal Auditor to the Council)
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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	£63,413	£58,508
2. Annual precept	£59,000	£63,000
3. Total other receipts	£14,585	£13,461
4. Staff costs	£37,659	£42,680
5. Loan interest/capital repayments	£0	£0
6. Total other payments	£40,831	£33,021
7. Balances carried forward	£58,508	£59,298
8. Total cash and investments	£58,508	£59,298
9. Total fixed assets and long-term assets	£594,104	£594,104
10. Total borrowings	£0	£0