

## Internal Audit Report

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

Name of council:	ASHBY WOULD'S TOWN COUNCIL		
Name of Internal Auditor:	Catherine Camp	Date of report:	7 <sup>TH</sup> June 2024
Year ending:	31 March 2024	Date audit carried out:	7 <sup>TH</sup> 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 Andrea Robinson (Clerk and Responsible Financial Officer) on 7<sup>th</sup> June 2024 to carry out an Internal Audit for Ashby Would's Town Council. The Internal Audit was carried out remotely by examination of the parish website, email and a zoom video-conference call.

I firstly checked that the Register of Interests for each Councillor were published on both the parish and District Council websites – Councillor Hyde who was co-opted in March 2024 has his Register of Interests displayed on the Parish website, but these have not yet been updated on the District website. This is a statutory requirement and needs to be chased up with NWLDC.

The Councillors often declare an interest in items on the Agenda but there is not a record in the minutes to say that they left the meeting and took no part in discussion. Training on when an Interest should be declared, and what action is required as a result would be beneficial.

I then checked whether the Audit paperwork for 2022/23 had been published on the parish website/webpage, as required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor before 1 July 2023. – I was unable to find a notice of the dates for the period of exercise of public rights and the dates were not included within the minutes. The issue of public rights is deemed to be important by External Audit. The Council needs to ensure that they answer "No" to Assertion 4 of the Annual Governance Statement s1 when completing this years Annual Return, and I am unable to tick yes to objective "M" or "N" of the Annual Internal Audit Report for 2023/24.

The Councillors started a new term of office in May 2023, but there was no recorded minute that they signed a Declaration of Acceptance of Office of Councillor. As the legal record of proceedings of the Council this should have been recorded.

I examined the publicly available information displayed on the council's website including council policies, procedures, agendas and minutes, financial records and other records. I examined the councils' arrangements for the management and control of its bookkeeping, risk assessment, budget setting and monitoring, asset register, payroll, due process and compliance with proper practices as set out in the Practitioners Guide.

This Council has clear and concise Minutes and a robust system of financial Internal Control in place. All money received and payments made are recorded as part of the minutes, making it very easy to see how public money is being spent. I would recommend that the Clerk does not authorise the payments but that two Councillors act as authorisation, and that the bank balance forms part of the minutes along with a list of money received and payments to be made.

A clear budgeting process took place and spend is reviewed against the budget on a regular basis.

Standing Orders and Financial Regulations of the Council were not reviewed during 2023/24, despite the Council starting a new term of office. This will be carried out shortly now that updated Financial Regulations have been issued by NALC/SLCC.

At times when the council needs to go into confidential session, this is being done correctly. There is a clear resolution to exclude the public and press (under the provisions of Section 1 of the Public Bodies (Admissions to Meetings) Act 1960, as amended by Sections 100 of the Local Government Act 1972) and the minutes record the reason for entering confidential session and there is a clear record of the decisions taken.

Expenditure is governed by legal powers. Where a Council is to rely on the *Free Resource* s137 Local Government Act 1972, a resolution should accompany that Minute at the time the decision to incur the expenditure is made.

("...resolved that the Council in accordance with its powers under sections 137 and 139 of the Local Government Act 1972, should incur the following expenditure which, in the opinion of the Council, is in the interests of the area or its inhabitants and will benefit them in a manner commensurate with the expenditure of .....")

A separate record of s137 expenditure should be kept in the cashbook to ensure it stays within the set limits and is of direct benefit to the electorate.

S137 is being applied to all grant payments regardless of what is being funded. Many payments can be made under other existing powers and the Clerk needs to be clear when s137 should be used.

The Internal Audit report from 22/23 suggested registering the land holdings of the council with Land Registry. This is still to be done, as the Council is in the process of moving offices, and so it has dropped down the list of priorities. This would be good practice to put in place once time allows.

I am pleased 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.

This is obviously a well-run and hard-working council, with a lot going on.

I would like to thank Andrea for her time and help with delivery of the Internal Audit and wish her all the best with her move to a new office.

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

<b>Recommendation 2022-2023</b>	<b>Comment</b>
Increase Financial Internal Control	A 2 <sup>nd</sup> person to approve payments through the bank account.
Register parish landholdings	This will be done in due course.

**Areas in the 2023-2024 AGAR Annual Internal Audit Report for which Yes or N/A cannot be ticked**

	<b>Reason</b>
A	
B	
C	
D	
E	
F	
G	
H	
I	
J	
K	
L	
M	<b>NO A period of exercise of public rights was not published.</b>
N	<b>NO A period of exercise of public rights was not published in relation to 2022-23</b>
O	

**Recommendations for action 2023-2024**

<b>Areas for consideration or improvement</b>	<b>Recommendation</b>
Ensure that AGAR requirements are followed	Publish the dates for exercise of public rights.
Ensure Councillors understand when to declare an interest and when this requires them to leave the meeting and not take part in the decision	I recommend that Councillors attend training in Register of Interests.
Ensure that payments are made under the correct power.	Not all grant payments fall under LGA 1972 s137; - It depends what is being funded.
Upload a Complaints policy to the website.	
Increase financial transparency and internal control	Record the bank balance, money received and payments to be made within the minutes. Have 2 Councillors authorising payments rather than the Clerk and one Councillor.

Yours sincerely,



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The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2023</b>	<b>Year ending 31 March 2024</b>
1. Balances brought forward	277,430	285,412
2. Annual precept	117,693	123,930
3. Total other receipts	20,701	30,501
4. Staff costs	23,994	29,142
5. Loan interest/capital repayments	0	0
6. Total other payments	106,418	140,289
7. Balances carried forward	285,412	270,412
8. Total cash and investments	285,412	270,412
9. Total fixed assets and long-term assets	1,274,445	1,276,485
10. Total borrowings	0	0