

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: | Chipping Warden and Edgcote Parish Council | | |
| Name of Internal Auditor: | Kirsty Buttle | Date of report: | 10.06.2024 |
| Year ending: | 31 March 2024 | Date audit carried out: | 24 th May, 4 th , and 10 th 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 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 completed the year-end audit review of Chipping Warden and Edgcote Parish Council remotely on 24th May, and 4th, and 10th June 2024.

I reviewed the information available on <https://chippingwarden.org/>. When I first viewed the website there were a number of minutes missing, along with all of the documents relating to the 2022-23 financial year. After making the Clerk aware of this some of the documents were added to the website and I was sent other documents by e-mail. By examination of these documents and records plus further questioning, I tested aspects of the Council's internal controls as required for the Internal Audit section of the Annual Return.

I would like to point out the following issues which do not affect the responses made in the AGAR Annual Internal Audit Report but should be considered for the new financial year:

- Documents relating to items on agendas (except for confidential items) including policies and those relating to finances such as finance reports and draft budgets should be published on the website with the agendas.
- Sections 1 and 2 of the 22-23 AGAR were approved before the receipt and review of the Internal Auditor's Report for that year which does not follow the order required as per the AGAR instructions which requires the Internal Auditor's Report to be received and reviewed before completion of Section 1 - The Annual Governance Statement (AGS) in order to inform your responses to the statements on the AGS.

- It should be clear in the minutes whether apologies are noted or accepted as this has implications in relation to the '6 month rule' – see LGA 1972, C70, S85 if further information is required.
- Last year's internal audit raised the fact that the budget value needed to be minuted prior to setting the precept but the budget value was not minuted this year.

I have ticked 'Not covered' to statements F, and O, of the Internal Audit Report for the following reasons:

- The Parish Council does not hold petty cash.
- The Parish Council is not a trustee.

I have ticked 'No' to statements L, and N, of the Internal Audit Report for the following reasons:

- The Parish Council did not comply with the transparency code as there were a number of documents missing from the website when I completed the audit including the Explanation of Variances, Bank Reconciliations, Asset Register, and transactions over £100. Non compliance with the Transparency Code was raised in last year's Internal Audit Report.
- The Parish Council did not comply with the publication requirements of the 2022/23 AGAR as when I initially attempted to complete the audit none of the documents relating to last year's audit were available on the website.

I was able to answer 'yes' to all other relevant questions and have signed the Return as required.

Yours sincerely,



Mrs Kirsty Buttle
Internal Auditor to the Council
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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 | 12432 | 14242 |
| 2. Annual precept | 14000 | 18000 |
| 3. Total other receipts | 5296 | 3005 |
| 4. Staff costs | 2846 | 2846 |
| 5. Loan interest/capital repayments | 0 | 0 |
| 6. Total other payments | 14640 | 10357 |
| 7. Balances carried forward | 14242 | 22044 |
| 8. Total cash and investments | 14242 | 22044 |
| 9. Total fixed assets and long-term assets | 104712 | 104712 |
| 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 (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>.