

Annual Internal Audit Report

(To be read in conjunction with Section 4 of the Annual Return)

Name of council:	Ashton Parish Council		
Name of Internal Auditor:	David Harries	Date of report:	16 April 2015
Year ending:	31 March 2015	Date audit carried out:	15 April 2015

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:

Ashton Parish Council has seven councillors (a vacancy during the year was filled by co-option) with a quorum of three, serving an electorate of around 300. There are no committees or working groups.

Standing Orders and Financial Regulations, based on the NCALC Model were confirmed on 14 May 2014.

A review of policies and procedures for management and financial risk assessment, internal controls and audit, were considered and confirmed on 14 January 2015.

The clerk has a contract in accordance with the agreed national scales of pay. He has also been appointed as the Responsible Finance Officer (RFO).

No issues were raised on the Annual Return for 2013-14.

A loan of £29,000 from the Public Works Loans Board (PWLB) was received in September 2011 in order to fund the replacement and upgrading of the street lighting. The loan is repayable over a period of ten years, and this is taken into account when considering the budget and setting the precept.

A precept of £12,000 was agreed on 8 January 2014 after careful consideration of likely expenditure in 2014/15. This was unchanged from the previous two years. It was agreed that the anticipated deficit of £580 would be met from reserves and/or grant income. An Ad Hoc Budget Group was established on 9 July 2014 to allow a more detailed examination of future budget proposals before being considered by the council at the usual time.

The final accounts, Annual Return - Section 1 Statement of accounts and Section 2 Governance were agreed on 8 April 2015. The Annual Return, together with a final bank reconciliation and an explanation of the significant variations at boxes 3, 4, 6, 9 and 10, would be submitted by the due date. The required Notice had been posted and the accounts would be available for inspection as required.

The council is registered with HMRC, and PAYE/NI is correctly paid and recorded. A payroll service provider is used to calculate the salary and all appropriate payments.

Formal agendas and minutes are produced, as well as a report on actions taken and topical issues.

A computerised Excel system is used as the main ledger. Each item of approved expenditure is recorded in the Minutes, showing the date, payee, cheque number, amount and VAT. The power under which it is made is not recorded as on 8 August 2012 the council had adopted the General Power of Competence in accordance with the Localism Act 2011. Cheque stubs are initialled by the two signatories and cheque numbers and dates of payment are noted on invoices. Bank statements are reconciled.

There is no petty cash account.

VAT claims are made annually, in December or January.

There is evidence of quarterly checks on financial transactions, and the Internal Control Councillor (ICC) undertook a 'mini-audit' during the year. An accounts spreadsheet is available at each meeting.

The council receives around £4,000 p.a. related to the nearby wind farm. This is a capital grant paid to five local parishes based on the size of the electorate, with community benefits criteria for which the council must bid each year. The council invite local inhabitants to submit bids or ideas for the appropriate use of these funds.

The 'Hut Land' was left to the village in 1926. It is owned by the council but is a separate registered charity to which the council appoint two representatives to the management committee. The land is used and run by the Allotment Association.

Insurances are reviewed annually. From September 2012 the council agreed a policy through Came and Co for a period of three years. This includes fidelity cover of £100,000. The Asset Register is maintained at original purchase prices and has been updated to include purchases of playground equipment, and planters and a shed on the 'Hut Land'.

Overall, I am satisfied that effective systems of control are in place, and I have signed Section 4 of the Annual Return accordingly.

Yours sincerely,



Mr. David Harries
Internal Auditor to the Council
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The figures submitted in the Annual Return are:

	Year ending 31 March 2014	Year ending 31 March 2015
1. Balances brought forward	11709	13008
2. Annual precept	12000	12000
3. Total other receipts	1063	9783
4. Staff costs	3152	2898
5. Loan interest/capital repayments	3387	3387
6. Total other payments	5225	14000
7. Balances carried forward	13008	14506
8. Total cash and investments	13008	14506
9. Total fixed assets and long term assets	43533	50663
10. Total borrowings	23149	20294

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Local Councils – A Practitioners’ Guide (England) (2010)*. It is a guide to the accounting practices to be followed by local councils, and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from

<http://www.northantscalc.gov.uk/?p=253>