

Internal Audit Report

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

Name of council:	Ashton Parish Council		
Name of Internal Auditor:	David Harries	Date of report:	9 April 2018
Year ending:	31 March 2018	Date audit carried out:	9 April 2018

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:

1. Introduction and Background

I carried out an audit of Ashton Parish Council on 9 April 2018; my thanks to the previous and current Parish Clerk/RFO, John Marshall and Lynn Lavender for their time and assistance.

Ashton Parish Council has seven councillors with a quorum of three, serving an electorate of around 340. During the year a vacancy created by a resignation was filled by co-option. A Budget/Finance Working Group has been established. A Neighbourhood Plan Committee, comprising councillors and others, reports through a councillor representative to each council meeting.

Standing Orders and Financial Regulations, based on the updated NCALC Model were reviewed and confirmed on 10 May 2017, together with Financial Management, Health & Safety, Risk Assessment, Internal Control policies. The council adopted and confirmed the General Power of Competence on 13 May 2015 in accordance with the Localism Act 2011.

Following the retirement of John Marshall, a new clerk, Lynn Lavender, has been appointed from 1 April 2018. The contract will be like the previous clerk's and will be in accordance with the agreed national scales of pay. She has also been appointed as the Responsible Finance Officer (RFO).

The council has a web site that includes minutes and the required transparency information.

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.

A precept of £15,000 was agreed on 9 November 2016 after careful consideration of likely expenditure. This was an increase of £200 over the previous year. The Budget Working

Group provides a detailed examination of future budget proposals before being considered by the Council.

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.

The council receives around £4,000 p.a. from EDF 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 ideas from local inhabitants for the appropriate use of these funds, based on the council's published grants policy.

Invoices and payments, as well as an accounts spreadsheet are available at each council meeting and there is clear evidence that regular checks have been carried out by the Internal Control Councillor (ICC).

No issues were raised on the 2016-17 Annual Return. The 2017-18 final accounts and Annual Return - Section 1 Governance Statement and Section 2 Statement of Accounts would be agreed on 11 April 2018. The Annual Return, together with final bank reconciliation and an explanation of the significant variations would be submitted by the due date.

2. Issue for Consideration

The minutes indicate those members present but do not indicate who is chairing the meeting. Notwithstanding the election of a chairman each year, I believe it is good practice to record who is in the chair at each meeting.

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 and I have signed the Annual Internal Audit Report 2017/18 accordingly.

This report is based on the evidence made available to me. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. Consequently, the report is limited to those matters set out above.

Yours sincerely,

David Harries
Internal Auditor
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2017	Year ending 31 March 2018
1. Balances brought forward	12430	13937
2. Annual precept	14800	15000
3. Total other receipts	7836	14066
4. Staff costs	4095	4870
5. Loan interest/capital repayments	3387	3387
6. Total other payments	13647	19093
7. Balances carried forward	13937	15653
8. Total cash and investments	13937	15653
9. Total fixed assets and long-term assets	58882	59296
10. Total borrowings	14377	11313

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2017)*. 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.com/uploads/practitioners-guide-2017.pdf>