

# 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:	21 April 2019
Year ending:	31 March 2019	Date audit carried out:	18 April 2019

*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 18 April 2019, having previously examined the information provided on the web site; my thanks to the Parish Clerk/RFO, Lynn Lavender for her time and assistance.

Ashton Parish Council has seven councillors, with a quorum of three, serving an electorate of around 340. A Budget Working Group has been established. A Neighbourhood Plan Committee, comprising councillors and others, reports through a councillor representative to each council meeting.

Standing Orders based on the updated NCALC Model were adopted in August 2018. Financial Regulations were reviewed and confirmed on 9 May 2018, together with Financial Management, Health & Safety, Risk Assessment, Internal Control procedures. The council adopted the General Power of Competence on 13 May 2015 in accordance with the Localism Act 2011.

The council has a web site that includes minutes and the required transparency information. It has recently been updated to include policies, procedures and governance.

A precept of £16,500 was agreed on 13 December 2017 after careful consideration of likely expenditure. This was an increase of £1,500 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.

The council receives regular budget reports. Invoices and payments are available at each council meeting and there is clear evidence that regular checks have been carried out by the Internal Control Councillor (ICC).

Insurance cover is through Came and Co, with Axa, for a period of three years from 1 October 2018. Fidelity cover is £500,000.

No issues were raised on the 2017-18 Annual Return, although the minutes record only that it was 'received and noted'. The final accounts for the year ended 31 March 2019, together with the Annual Governance and Accountability Return (AGAR) would be considered by the council on 8 May 2019. As income and expenditure were under £25,000 a Certificate of Exemption would be completed and submitted. It would not then be necessary to submit an Annual Governance and Accountability Return to the external auditors.

## **2. Issues for Consideration**

There are no issues that require consideration.

## **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 2018/19 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  
david.harries2@btinternet.com

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

	<b>Year ending 31 March 2018</b>	<b>Year ending 31 March 2019</b>
1. Balances brought forward	13937	15653
2. Annual precept	15000	16500
3. Total other receipts	14066	7506
4. Staff costs	4870	4391
5. Loan interest/capital repayments	3387	3387
6. Total other payments	19093	7556
7. Balances carried forward	15653	24325
8. Total cash and investments	15653	24325
9. Total fixed assets and long-term assets	59296	58458
10. Total borrowings	11313	8175

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>