

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: | Ashton Parish Council | | |
| Name of Internal Auditor: | David Harries | Date of report: | 1 June 2020 |
| Year ending: | 31 March 2020 | Date audit carried out: | 16 April, 1 June 2020 |

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 the internal audit of Ashton Parish Council, mainly by an examination of the information provided on the web site. My thanks to the Parish Clerk/RFO, Lynn Lavender for providing additional information on request.

Ashton Parish Council has seven councillors, with a quorum of three, serving an electorate of almost 400. A Budget Working Group has been established. A Neighbourhood Plan Committee, comprising councillors and others, reports through a councillor representative to each council meeting; and a Neighbourhood Plan has been submitted to the Independent Examiner to be considered prior to holding a referendum.

Standing Orders (based on the updated NCALC Model) were reviewed and adopted on 8 May 2019, together with all policies, including Financial Management and Health & Safety Risk Assessment, and Internal Control procedures. New Model Financial Regulations were adopted on 13 September 2019. The General Power of Competence was adopted 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 £17,000 was agreed on 12 December 2018 after careful consideration of likely expenditure. This was an increase of £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. (£4816.17 in 2019-20) 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.

The lease of the playing field ended two years ago and is currently rolling. The brewery that own the land has not responded to queries about the lease but have agreed other related issues during this time. An item is included on the agenda for each meeting as the council is aware it remains outstanding.

As income and expenditure for 2018/19 were under £25,000 a Certificate of Exemption had been submitted. The final accounts for the year ended 31 March 2020, together with the Annual Governance and Accountability Return (AGAR) would be approved by the council on 10 June 2020.

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 2019/20 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 BEM
Internal Auditor
david.harries2@btinternet.com

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

| | Year ending 31 March 2019 | Year ending 31 March 2020 |
|--------------------------------------------|--------------------------------------|--------------------------------------|
| 1. Balances brought forward | 15653 | 24325 |
| 2. Annual precept | 16500 | 17000 |
| 3. Total other receipts | 7506 | 3309 |
| 4. Staff costs | 4391 | 4518 |
| 5. Loan interest/capital repayments | 3387 | 3387 |
| 6. Total other payments | 7556 | 16345 |
| 7. Balances carried forward | 24325 | 20384 |
| 8. Total cash and investments | 24325 | 20384 |
| 9. Total fixed assets and long-term assets | 58458 | 62715 |
| 10. Total borrowings | 8175 | 4963 |

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>