

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:	7 June 2021
Year ending:	31 March 2021	Date audit carried out:	25 March, 19 April, 5 June 2021

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:

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 (one vacancy occurring was filled by co-option), with a quorum of three, serving an electorate of almost 400. (There was an uncontested election in May 2021 which returned five councillors.) A Neighbourhood Plan was adopted by West Northamptonshire Council on 21 May 2021.

Standing Orders (based on the updated NCALC Model) were reviewed and adopted on 13 May 2020, together with all policies, including Financial Regulations, Financial Management and Health & Safety Risk Assessment, Data Protection, and Internal Control procedures. 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 also includes policies, procedures and governance.

A precept of £18,500 was agreed on 11 December 2019 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 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.

Payment for flood works by Pickering, was approved in January, the funds for this work having been carried forward from the 2019-20 budget.

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 regular checks are 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 three 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 2019/20 were under £25,000 a Certificate of Exemption had been submitted. The final accounts for the year ended 31 March 2021, together with the Annual Governance and Accountability Return (AGAR) would be approved by the council on 9 June 2021.

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 2020/21 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
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	24325	20384
2. Annual precept	17000	18500
3. Total other receipts	3309	6007
4. Staff costs	4519	4088
5. Loan interest/capital repayments	3387	3387
6. Total other payments	16344	20431
7. Balances carried forward	20384	16985
8. Total cash and investments	20384	16985
9. Total fixed assets and long-term assets	62715	64822
10. Total borrowings	4963	1674

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>