

## **Northants CALC**

### **IAS**

#### Internal Audit Report

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

Name of council:

Pattishall Parish Council

Name of Internal Auditor:

Kirsty Buttle

Date of report:

26th June 2023

Year ending:

31 March 2023

Date audit carried out:

16th, 23rd, and 26th June 2023

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:

I completed the year-end audit review of Pattishall Parish Council remotely between 16th and 26th June 2023.

I reviewed the information available on:

<https://www.pattishallparish.org.uk/parish-council/>

I was able to access the majority of documents on the website and was provided additional documents by e-mail. By examination of these documents and records plus further questioning, I tested aspects of the Council's internal controls as required for the Internal Audit section of the Annual Return.

I would like to point out the following issues which do not affect the responses made in the AGAR Annual Internal Audit Report but should be considered for the new financial year:

It should be clear in the minutes whether apologies are noted or accepted as this has implications in relation to the '6 month rule' – see LGA 1972, C70, S85 if further information is required.

Although there is mention in the June 2022 minutes that the internal auditor's report had been sent to councillors there was no confirmation that the councillors formally received, accepted, and considered any actions required based on the outcome of that report so it is unclear whether you had completed the actions required to answer 'yes' to assertion 6 on the Annual Governance Statement in relation to the 2021-22 financial year.

The AGAR documents should be separately minuted in order to ensure and evidence that all required documents have been approved and that they have been completed in the correct order.

Both the budget value and the precept value should be minuted. I could only find a minute referring to the precept value.

I have ticked 'not covered' to statements F, K, and L of the Internal Audit Report for the following reasons:

The Parish Council does not hold petty cash.

The Parish Council did not declare itself as exempt from external audit in 2021/22.

The Transparency Code for Smaller Authorities does not apply to Pattishall Parish Council currently due to income/expenditure being over £25k.

I have ticked 'no' to statement H of the Internal Audit Report as the total value of assets listed in the Asset Register provided to me by e-mail does not match the value stated in the AGAR. Also the asset value stated in the 2022 column of the AGAR presented to me for 2022/23 does not match the value published on the 2022 column of the 2021/22 AGAR which is published on your website. The Clerk has advised that the Parish Council and the Clerk do not understand how to manage an Asset Register and will be taking advice soon to rectify this.

I have ticked 'no' to statement N of the Internal Audit Report as the Notice of conclusion of

audit has not been published on the Parish Council website which is a requirement of the Accounts and Audit Regulations 2015. Whilst the Clerk has advised me that she does not take responsibility for this as the publication of website documents is passed on to a resident, ultimately it is the Parish Council's responsibility to ensure that it is compliant with all legal requirements. The issue of documents required by the Accounts and Audit Regulations 2015 not being on the website was also raised last year so this appears not to be a one off issue.

I have ticked 'not applicable' to statement O as Pattishall Parish Council is not a trustee.

Yours sincerely,

Mrs Kirsty Buttle

Internal Auditor to the Council

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

Year ending  
31 March 2022

Year ending  
31 March 2023

**1. Balances brought forward**

51818

74135

**2. Annual precept**

45000

55000

**3. Total other receipts**

14501

15047

**4. Staff costs**

4889

5017

**5. Loan interest/capital repayments**

0

0

**6. Total other payments**

32295

50723

**7. Balances carried forward**

74135

88442

**8. Total cash and investments**

74135

88442

**9. Total fixed assets and long-term assets**

253578

253578

**10. Total borrowings**

0

0

The proper practices referred to in Accounts and Audit Regulations are set out in Governance and Accountability for Smaller Authorities in England (2022). It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2022-8.pdf>

