

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: | Frisby on the Wreake Parish Council | | |
| Name of Internal Auditor: | Cathy Walsh | Date of report: | 20 May 2024 |
| Year ending: | 31 March 2024 | Date audit carried out: | 17 May 2024 |

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 proper practices referred to in Accounts and Audit Regulations are set out in JPAG Practitioners Guide. 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.

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 of the council in person on 17 May 2024. I would like to take the opportunity to thank Sue Norledge (Clerk and RFO) for her co-operation and assistance in delivering the council's internal audit.

In preparation for the audit, I examined the publicly available information displayed on the council's website, including the council's policies, procedures, agendas, minutes, financial and other records. I sought evidence to confirm that the previous year's Internal and External Audit reports had been properly reported to the council and where necessary acted upon by the council.

During my audit I also examined the council's arrangements for the management and control of its business in the areas of bookkeeping, due processes (i.e. compliance with the proper practices as set out in the JPAG Practitioners Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control, year-end procedures and compliance with the publication requirements of the 2022-2023 AGAR.

The council is certifying itself exempt from a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor.

Have comments from the internal audit 2022-2023 been addressed?

| Recommendation 2022-2023 | Comment |
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| The Parish Council did not hold the Annual Parish Meeting during the reporting period. | During 2023-2024 the Annual Parish Meeting was held in line with legislation on 30 May 2023. |
| Expenditure over £100 was not published as required by the Transparency Code for Smaller Authorities. | This information is now published. |
| The council does not hold any funds in reserves. It is recommended that councils maintain reserves at a level of between 3 and 12 months of net revenue expenditure. | The council uses any surplus funds carried forward from each financial year as its reserves. |
| Significant weaknesses were found in the way the council manages Rotherby Lane Burial Ground. | The clerk confirmed she has been working with the funeral director and Lay Pastor reviewing and making improvements in this area. The website has been updated with information relating to the cemetery rules and regulations. Visual inspections are still being carried out and I recommended that written records are made of any inspections. |

Areas in the 2023-2024 AGAR Annual Internal Audit Report for which Yes or N/A cannot be ticked

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| <p>Internal control objective: F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</p> <p>The council does not operate a petty cash system and so I have ticked 'Not Covered' to internal control objective F.</p> |
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Recommendations for action 2023-2024

| Areas for consideration or improvement | Recommendation |
|--|---|
| The minutes of the Annual Parish Meeting are referred to as notes and instead of being approved by the council these are noted at the next Parish Council Meeting. | Minutes of the proceedings of the Annual Parish Meeting should be drawn up and signed at the next assembly of the parish meeting. i.e. the minutes from the meeting held on 30 May 2023 should have been approved at the Annual Parish Meeting held on 07 May 2024 not at the next meeting of the Parish Council. |
| The council undertakes visual risk assessments but does not keep a written record of these assessments. | Recommend that a written record is kept of the assessments as proof that they have taken place. |

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| Payment authorisations | Recommend that the person signing the payment authorisation also checks that the bank statement and bank reconciliation agree. |
| Reserves | Recommend that a formal record of the money the council is allocating to its reserves is made during the budget setting process and regular reporting of any expenditure from the reserves is made as part of the financial reporting. |
| Publish the narrative Internal Audit Report on the council's website alongside the Annual Governance and Accountability Return (AGAR). | It is advised that all councils publish this full report on their websites with the AGAR along with any comments from the external auditor (if applicable). |

Yours sincerely,



Cathy Walsh
Internal Auditor to the Council

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

| | Year ending 31 March 2023 | Year ending 31 March 2024 |
|--|------------------------------|------------------------------|
| 1. Balances brought forward | 12,975 | 14,843 |
| 2. Annual precept | 13,250 | 13,250 |
| 3. Total other receipts | 838 | 3,538 |
| 4. Staff costs | 6,560 | 5,603 |
| 5. Loan interest/capital repayments | 0 | 0 |
| 6. Total other payments | 5,660 | 7,931 |
| 7. Balances carried forward | 14,843 | 18,097 |
| 8. Total cash and investments | 14,843 | 18,097 |
| 9. Total fixed assets and long-term assets | 21,392 | 21,392 |
| 10. Total borrowings | 0 | 0 |