

Annual Internal Audit Report 2022/23

MILTON MALSOR PARISH COUNCIL

<https://www.miltonmalsorparishcouncil.org.uk/>

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	see my report
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.		✓	see my report
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).		✓	see my report
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.		No	Not applicable ✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

30/05/2023

Name of person who carried out the internal audit

CLAIRE TILLEY

Signature of person who carried out the internal audit



Date

30/05/2023

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is

**NORTHANTS CALC LTD
INTERNAL AUDIT SERVICE**

Internal Audit Report

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

Name of council:	Milton Malsor Parish Council		
Name of Internal Auditor:	Claire Tilley	Date of report:	31 st May 2023
Year ending:	31 March 2023	Date audit carried out:	30 th May 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 had a virtual Zoom meeting with the Clerk on the 30th May which concluded my works auditing the governance and finances of the Parish Council via the website and provided paperwork. I would like to thank Ann for her help and co-operation. My report is an annex to the Annual Internal Audit report, which forms part of the AGAR. I found I was able to agree to most of the relevant Internal Control Objectives were achieved and am happy to sign off the AIAR.

The council should note my comments with regards to **Objective B, C H and N** for which I have ticked 'NO'

B- Authority complied with financial regulations, payments, invoices and expenditure approved- NO

The relevant regulations and policies were in place. However, I found eleven payments on the cash book, that were not minuted as having been approved- some of these were to councillors and others to suppliers or members of the public. This is not in accordance with the Financial Regulations, and in many cases resulted from councillors buying non-emergency items then requesting reimbursement outside of meetings. It is advisable that any sundry purchases are agreed at meetings, and ordered by the Clerk. This will also ensure that any VAT paid can be reclaimed by the council.

H Asset/Investment register-NO

The asset register available is out of date and appears to show assets to the value of £121,567. However, the AGAR figure, which has been carried over for a number of years, states a value of £35,485. The council should review the assets and register, and once

satisfied it is correct- the value of the assets will need to be restated for next years AGAR- with a full explanation for the External Auditor.

N -AGAR publication requirements- NO

Sec 1,2, and Sec 3 External Audit report were on the website. However, neither the Notice of conclusion of Audit, nor the Internal Audit report(s) were published. This was highlighted last year when no AGAR documents were available. It is advisable to also publish the Internal Auditors written report- especially when 'No' has been ticked against objectives, to explain why the council did not achieve them. It would appear that this report for year ending March 2022 was also not forwarded to the External Auditor – as they comment in their report that there was no explanation given last year to 'No' objectives. Please can the council ensure that this is sent alongside the AGAR this year.

Please could the council also note the following recommendations?

C Risk assessment- this was reviewed at Minute ref 192/22.10 Insurance cover is in place and monitoring of play equipment is carried out. However, there was no annual insurance review. The council should ensure this occurs prior to renewal in conjunction with an asset review- to ensure that the cover is still appropriate.

D Precept and budget- The budget was discussed at a Working Group, minuted in November (no page numbering) then a precept of £32,500 was agreed at the full council meeting in December.215/22 .8. This matches the request sent to the Principal Authority However, no budgeted amount was minuted- and the budget document I saw states a budget of £33,850 and a precept of £33,500. For better transparency, I would suggest minuting the budget amount and/or including the budget in the meeting papers published, along with an explanation how the precept amount was decided in light of the budgeted requirement.

G. Salaries-Payroll is outsources, so ensuring compliance with HMRC. However, it appears that on the stated salary and hours- the Clerk is currently being paid below the Legal minimum wage. I would suggest a review at the next available meeting.

Yours sincerely,



Ms Claire Tilley
Internal Auditor to the Council
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