

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:	Caroline Holgate	Date of report:	25 th April 2025
Year ending:	31 March 2025	Date audit carried out:	25 th April 2025

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 met with the Clerk/RFO, Ann Addison, on 25th April 2025, to carry out the year end audit of the Council. Prior to meeting I was able to review minutes and other relevant information on the website.

The work completed is identified in the table below. Please note that where points appear in bold, the council is required to take appropriate action.

Area of Work	Observations/Points
Audit – Internal and External AGAR Publication Requirements	The Internal Audit report was received and noted by the Council at its June meeting. The External Auditor's report has been published and the Council is required to address the matters raised in that report. The Notice of Conclusion of Audit has not been published. In accordance with the Accounts and Audit Regulations 2015 the Council must publish on its website, by 1st July: <ul style="list-style-type: none"> • The Internal Audit Report (recommended but not mandatory) • The Annual Governance Statement, Section 1 • The Accounting Statements, Section 2 • a declaration that the accounting statements are as yet unaudited. • The details of Exercise of Public Rights. Before 1st October the Council must publish: <ul style="list-style-type: none"> • Notice of Conclusion of Audit

	<ul style="list-style-type: none"> • The Annual Governance Statement – including any amendments. • The Accounting Statements – including any amendments. • The External Auditor’s Report and Certificate. <p>In accordance with the External Auditors report for 2023/24, the Council is required to address the “except for” matters raised in the report.</p> <p>The Council are also required to answer “No” to Assertion 4 of the Annual Governance Statement as it did not make proper provision of the Exercise of Public Rights.</p>
Adoption of Policies	<p>The Standing Orders, Code of Conduct and Financial Regulations are out of date and should be reviewed at the earliest opportunity. The Clerk advised that these documents are being updated.</p> <p>Updated Standing Orders, Code of Conduct and Financial Regulations for the Council should be reviewed and adopted.</p>
Accounting Records	<p>The Accounts were maintained during the financial year using the correct accounting method.</p>
Asset Register	<p>The Council must review and approve the Asset Register.</p>
Bank reconciliations	<p>The Council banks with Natwest but are in the process of opening new accounts with Unity Trust Bank.</p> <p>Bank balances were confirmed to statements as at the 31st March 2025.</p>
Budget	<p>The budget was agreed by the Council in December, but the figure was not minuted.</p> <p>For transparency the Council should consider publishing the budget on its website.</p>
Employees	<p>The Clerk has a new contract of employment in place, with newly agreed hours and rate of pay. Payroll is outsourced and payments for NI/PAYE are up to date.</p>
Exercise of Public Rights	<p>The Exercise of Public Rights notice is published on the Council’s website.</p> <p>However, the External Auditor’s Report notes that the Notice was not published before the start of the period, therefore the Council must answer “No” to Assertion 4 of the Annual Governance Statement.</p>
Insurance	<p>Insurance cover was reviewed and renewed in November, including Employers Liability and Public Liability insurance. The insurance premium is quite high and the policy should be thoroughly reviewed in line with the Council’s Asset Register to ensure value for money.</p> <p>Insurance £1,989.36</p>
Payments	<p>The Council makes payments by cheque, with dual signatories.</p>
Precept	<p>A precept of £35,500 was agreed at the December meeting.</p>
Proper Practices	<p>The Council does not have an email account which belongs to it and should make arrangements to rectify this during 2025/26.</p> <p>The Practitioner’s Guide 2024 requires at Para 1.26 “Email management – every authority should have an email account that belongs to the council and to which the council has access.</p> <p>Also see “Website” below.</p>
Risk Assessments	<p>The Council are aware that they have not reviewed their Risk Assessment and will make arrangements to review</p>

	this during 2025/26. The Council should review their Governance Risk Assessment annually.
VAT	VAT has been reclaimed.
Website	Recommended best practice is that Council's move to a gov.uk domain. The Practitioners' Guide 2025 highlights that while it is not a legal requirement, the use of a gov.uk domain is now reasonably expected. Use of a gov.uk website facilitates the publication of required information and supports transparency and accessibility standards. The Government Digital Service provides guidance for parish councils on transitioning to a gov.uk domain.

Having reviewed the information available to me, I have signed the 2024/25 AGAR accordingly.

Yours sincerely,



Caroline Holgate
Internal Auditor to the Council
07766 334541
clholgate@hotmail.com

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

	Year ending 31 March 2024	Year ending 31 March 2025
1. Balances brought forward	34,142	41,942
2. Annual precept	32,500	34,000
3. Total other receipts	3,774	29,933
4. Staff costs	3,680	4,048
5. Loan interest/capital repayments	0	0
6. Total other payments	24,794	34,921
7. Balances carried forward	41,942	66,906
8. Total cash and investments	41,942	66,906
9. Total fixed assets and long-term assets	35,485	
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 (2024)*. 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://northantscalc.gov.uk/practitioners-guide>.