

Internal Audit Report

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

Name of council:	Swannington Parish Council		
Name of Internal Auditor:	Joanne Lowe	Date of report:	1 st May 2024
Year ending:	31 March 2024	Date audit carried out:	23 rd April 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 have been allocated by the Leicestershire & Rutland Association of Local Councils (LRALC) as the appointed Internal Auditor for Swannington Parish Council for the financial year ended 31st March 2024. My role as internal auditor, acting independently and on the basis of an assessment of risk, is to carry out a selective assessment of compliance with relevant procedures and controls which were in operation during the financial year. I would like to thank your Clerk Fiona Palmer for her support and openness during our meeting on 23rd April 2024 and for her helpful assistance with forwarding all requested information prior to the audit.

The following topics were reviewed against our standard checklist format:

Observations from last year's audit

Recommendation 2022-2023	Comment
Hall Hirers to be kept confidential	Council has correctly redacted personal information from public documents
Policies to be reviewed annually	Council has successfully addressed this, with advice to re-adopt all Council policies at the same time each year.

General Joint Panel on Accountability and Governance (JPAG)

- Meetings that were checked by the auditor were called lawfully.
- All minutes were initialled, individually numbered and appropriately signed
- All statutory responsibilities were met during the AMPC although it was held in July 23 as the Council was inquorate at that time.

Accounting Records

- All details were recorded through Scribe accountancy software and all appeared to be in order
- The Clerk has been properly appointed as the RFO
- Bank reconciliations are correctly signed off each month and agree with AGAR Section 2 Box 8

Financial Requirements

- The Council has up to date versions of Standing Orders and Financial Regulations that were correctly adopted.
- There was evidence of internal control through the year regarding payments, supported by invoices and appropriately minuted and authorised at the relevant PC meeting against a monthly payment list.
- A specific internal control policy was adopted in March 2023.
- Although there were no VAT claims during 23-24, the has Clerk recently submitted a claim.
- There are suitable control measures in place specific to the risks of online banking, including the rotation of Cllrs to check and sign payments at each PC meeting.

Risk Management

- The Council adopted an annual Risk Assessment in March 2023.
- The Council's insurance cover is appropriate and is suitably tailored to the needs of the Council.

Precept and Budget

- The Council shows evidence of clear and thorough budgetary process with appropriate cost codes.
- A comparison with the budget during the financial year to highlight any actual or potential overspend is required.
- The reserves shown are appropriate for the Council
- The Council shows the correct precept demand made to the principle authority and the budget and precept are clearly identifiable and correctly agreed by a full Council resolution.

Petty Cash

- No Petty cash is held.

Salaries

- There was only one employee, the Clerk who had been correctly appointed and issued with a contract of employment.
- The Council contract out their payroll services, with quarterly submissions to HMRC.
- Council correctly approves the salary paid
- The Council is registered with the Pensions regulator

Asset/Investment Register

- The Council keeps a register of all material assets owned that are net of VAT, although it appears in need of updating (latest version is 2019) with a more detailed list of itemised assets. This should include land and building assets as appropriate.
- The current asset register compares with the current insurance schedule which may need updating once asset register has been revised.

Accounting Statements

- Year end accounts are prepared on a receipts and payments basis and the bank statements and ledger accurately reconcile.
- Bank account statements were presented throughout the year with evidence of a financial trail through the minutes.
- All invoices were presented during the invoice spot check with all being approved by Council, appropriately minuted and paid correctly.

Transparency Code

- There is evidence that the following were accessible on the website by 1st July 2023 – All items of expenditure above £100 / End of year accounts / Annual Governance Statement / Internal Audit Report / Asset Register.
- The Council published member responsibilities on their website by 1st July. This included the names of all councillors, committee or board membership and function of each councillor and representation on external local public bodies.
- The Council website is easy to navigate and contains all of the required information with lots of extra information for residents to read making it a pleasure to navigate. It is kept updated, although the Clerk may wish to check all information as some is out of date – e.g. it still states that the Council is inquorate on the Cllrs page.

Exercise of Public Rights

- The Council identified the 30 day working notice for inspection and the order of items to approve the AGAR was correct.

Miscellaneous/Good Practise/Legislation

- All electronic files are backed up using a Cloud based system.
- The Council's eligibility for the General Power of Competence was properly evidenced
- The Council have adopted an Equal Opportunities Policy
- The Council has a Complaints Procedure that was reviewed in November 23.

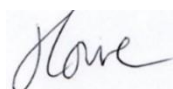
Areas in the 2023-2024 AGAR Annual Internal Audit Report for which Yes or N/A cannot be ticked

	Reason
A	
B	
C	
D	
E	
F	
G	
H	
I	
J	
K	
L	
M	
N	
O	

Recommendations for action 2023-2024

Areas for consideration or improvement	Recommendation
Appendices and supporting documents for meeting to be more accessible	To make available any supporting documents on the website as appropriate to improve transparency
Progress against budget items to be regularly monitored	Regular (suggested quarterly) comparison with spend against budget items during the financial year is required to highlight any actual or potential overspend.
Asset register is in need of updating.	Asset register is in need of updating with a more detailed list of itemised assets. This should include land and building assets as appropriate. The Councils insurance schedule may need to be updated once the asset register has been revised.

Yours sincerely,



Joanne Lowe
Internal Auditor to the Council
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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	14750	34348
2. Annual precept	35099	38271
3. Total other receipts	25156	24907
4. Staff costs	14149	15412
5. Loan interest/capital repayments	0	0
6. Total other payments	26508	35664
7. Balances carried forward	34348	46450
8. Total cash and investments	34348	46450
9. Total fixed assets and long-term assets	620907	620907
10. Total borrowings	0	0