

Annual Internal Audit Report

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

Name of council:	Tiffield Parish Council		
Name of Internal Auditor:	Dr TJ Waterfield	Date of report:	17 th May 2019
Year ending:	31 March 2019	Date audit carried out:	8 th May 2019

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 staff and management and not left for internal audit.

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:

The Council meets monthly except in August and December. It owns the playing field on which stands a variety of play equipment and it holds a 25-year lease for the pocket park. The Council currently holds accounts with two banks – Unity Trust and Lloyds for transactions concerned with the pocket park. It is understood that the latter account will be brought into the main Unity Trust account during the 2019/20 fiscal year. However, the Council needs to consider how it handles receipts paid 'by hand' as cash or cheque.

Mr Tennet was appointed Clerk and RFO in December 2018; however, he is not currently receiving any remuneration as he resigned as a councillor in June 2018.

A preliminary audit was carried out to assess compliance with the Transparency Code. A number of recent Meeting Notices (agendas) were not available in addition to other financial and asset documents. The content-managed website needs attention as the 'tagging' scheme appears to be unable to differentiate between different types of documents making the search facility less than satisfactory. The Council website is managed by 2commune.com.

The books and records were well presented for the audit. On a previous occasion, the auditor was assured that the Council was registered with HMRC. However, this is in doubt as neither the ledger nor underlying records show any activity with respect to PAYE/NI.

It was noted that a number of payments had been long overdue: licence for the Vehicle Activated Speed Sign and insurance; these have now been settled. Also, no claim for the refund of VAT had been made since April 2016; a refund of all outstanding VAT paid up to 31 March 2019 has now been submitted.

None of the agendas stated explicitly the business to be conducted, for example payments to be made, planning applications, etc. The Council is reminded that it cannot lawfully decide any matter which is not specified in the summons (LGA 1972, Schedule 12, paras 10(2)(b) and 26(2)(b)). Thus, it would appear that the Council has been operating unlawfully. The council is also reminded that monies may only be spent on matters for which it has a legal power to so

do. It is considered best practice that such powers are recorded in the minutes against payments authorised. All such payments are to be recorded in minutes.

All pages of the minutes should be numbered consecutively through the year, including any attachments that are referenced in the minutes.

Although it is understood a risk assessment is carried out prior to the firework display, no evidence of such assessment was available. A register of potential risks was seen but, again, no evidence of any assessments or of a policy document was available during the audit.

It is clear that the Council has much ground to make up that is already underway as work-in-progress.

This report is based on the evidence made available to me. 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. Consequently, the report is limited to those matters set out above.

Finally, the auditor would like to thank the Clerk for his hospitality during the audit.

Yours sincerely,

Dr. TJ Waterfield
Internal Auditor to the Council
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The figures submitted in the Annual Return are:

	Year ending 31 March 2018	Year ending 31 March 2019
1. Balances brought forward	19,075	16,977
2. Annual precept	12,500	12,500
3. Total other receipts	11,049	3,358
4. Staff costs	1,813	2,412
5. Loan interest/capital repayments	0	0
6. Total other payments	23,835	19,441
7. Balances carried forward	16,977	10,982
8. Total cash and investments	16,977	10,982
9. Total fixed assets and long-term assets	58,039	58,039
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 (2019)*. It is a guide to the accounting practices to be followed by local councils, and 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-2019.pdf>