

Internal Audit Report

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

Name of council:	Kirkby Mallory, Peckleton & Stapleton Parish Council		
Name of Internal Auditor:	Martin Cooke	Date of report:	13 th May 2024
Year ending:	31 March 2024	Date audit carried out:	3 rd 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 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:

This internal Audit report was compiled following several independent tests / checks being undertaken using various financial records, documents, minutes etc both through the official website and during an audit meeting with your Clerk Alex Stretton on the 3rd May 2024.

The following topics were reviewed against our standard checklist format:

There were no recommendations from previous internal audit.

Accounting records:

- All details were satisfactorily recorded in the financial ledger, and all appeared to be in order.
- Payments in the ledger were generally covered by invoices and minuted and authorised at the relevant PC meetings against a list of payments.
- There were now 2 bank accounts with balance details presented to council at each meeting,
- VAT had been reclaimed as required.
- There was a total of £2,700 recorded as a S137 expense which included three x £900 for each of the local churches, all falls within the parameters required.

Due Process:

- Standing Orders and Financial Regulations had been reviewed in May 2023 and adopted.

Risk Management:

- Scanning the minutes there didn't appear to be any unusual activity.
- The annual Risk assessment is carried out in April, however this appears to have been missed in 2023. ***This is a major requirement of the AGAR annual internal audit report item "C" and will be recorded as a "NO" for the past year, please ensure this is covered annually in the future.***
- Insurance was reviewed & renewed November 23.
- The monitoring and risk assessment of play equipment etc, was checked regularly and reported if necessary.

Budget / Precept:

- The annual Budget and Precept was approved by full council in January with the precept request being submitted to Harborough & Bosworth District Council.
- ***I would recommend that the full details of the Budget & Precept are noted on the website.***

Income:

- There is no income from Allotments, Cemeteries or Hall hire and no leases in place.

Petty Cash

- No petty cash is held.

Salaries / Employees:

- Clerk salary details recorded as required in the ledger.
- Salary is approved by council with an annual review in March.
- The PC is registered with the Pensions Regulator.

Asset Control:

- The Asset register had been reviewed and is fully up to date and on the website.
- Deeds etc were held by the solicitor Knights Plc.
- The 5 year loan agreement with LCC for street lighting had 2 years left to pay.

Accounting Statements:

- Bank accounts & balances were reviewed and reconciled monthly.
- Accounting statements were prepared throughout the year, debtors & creditors recorded where necessary and there was evidence of a financial trail through records.
- On the sample payments taken there was evidence of control with all being approved in Council, minuted and paid accordingly.
- The Yearend accounts had been prepared, bank statements and ledgers reconciled, these will be signed off at next PC meeting.
- This year's sections 1 & 2 of the Annual Return had been drafted ready for signing at the next PC meeting.

Transparency:

- The following were displayed / published as required (note below*).
 - End of year accounts / Accounting Statement (no variation report)
 - Annual Governance Statement.
 - Internal & External Audit reports.
 - Asset list.
- There are no specific Councillor Responsibilities.
- Agendas and meeting papers are published as required and draft minutes were generally issued within one month.
- *The PC website appears to be regularly updated however, some information is misleading for example, the Financial Information header show financial reports 2015/16 & 2016/17 and finance regulations and loans from 2016. Whilst the current information may be embedded in other area of the website the obvious go to page for finance is therefore very misleading. ***I would recommend a full review of the website to ensure all current information is easily accessible.***

Exercise of Public Rights:

- "The Notice of Public Rights" was issued and displayed on the website as required.

AGAR Publication for prior year:

- The AGAR Annual Governance & Accounting Statement documents were displayed on the website as required.

Miscellaneous:

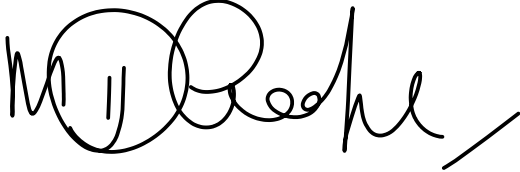
- There was evidence confirming the previous internal audit had been reviewed.
- Clerk confirmed electronic files are backed up daily to the cloud.
- Members interests were noted on the website.
- Minutes were initialled by page and signed by the chair at each meeting.
- Clerk confirmed there were 2 sub-committees, Complaints & Staffing both of which have terms of reference.

Annual returns:

- The annual return section 2 details (Year Ending 31st March 2023) are set out at the end of this document.

In conclusion, I would like to thank Alex for her support throughout the auditing process.

Yours sincerely



Martin Cooke (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	£52,809	£63,507
2. Annual precept	£38,000	£40,850
3. Total other receipts	£6,748	£14,763
4. Staff costs	£8,859	£9,531
5. Loan interest/capital repayments	£8,612	£8,612
6. Total other payments	£16,576	£34,110
7. Balances carried forward	£63,510	£66,867
8. Total cash and investments	£63,571	£66,867
9. Total fixed assets and long-term assets	£377,860	£391,564
10. Total borrowings	£25,835	£17,223