Northants CALC IAS

Internal Audit Report

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

Name of council:	Wicken Parish Council		
Name of Internal Auditor:	Gill Wells	Date of report:	3rd May 2022
Year ending:	31 March 2022	Date audit carried out:	3rd May 2022

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 would like to take this opportunity to thank your interim Clerk, Hazel, for forwarding all of the additional requested 'Year End' documents to me allowing me to carry out a thorough inspection of the Council records and activities during the period 2021-2022, as well as responding to my list of queries and questions.

There are some advisory points / comments I would like to raise for your reference:-

- Trust Status – I note that the Council are currently consulting with legal advisors with regard the status of the Village Hall in terms of custodianship and trustee management and responsibilities. I look forward to an update on this next year and being assured that the accounts and minutes of any meetings regarding the Village Hall are held separately and managed appropriately. Moreover, I note that the Council have been advised to include the cost of the Village Hall on its asset register which accounts for the huge increase in assets held by the Parish Council from the previous year.
- Certain business must be conducted at the Annual Parish Council Meeting including the first order of business being the election of the Chair – Local Government Act 1972 ss15(4); 34(4)
- The Council is not eligible to hold the General Power of Competence and should identify alongside each item of expenditure in its cashbook / accounts spreadsheet or minutes the legal powers / duties under which it is able to make that expenditure e.g. LGA 1972 s137 or the Parish Councils Act 1957 etc.
- The budget drives the precept required and the calculation to work out the precept required should be thus:- Estimated end of year balance + anticipated income in forthcoming year - anticipated expenditure in the forthcoming year including reserves

& the difference = precept required. Therefore, the budget MUST be approved before the Precept figure is approved and minuted this way round. Budget before precept.

- I would urge Members to be very clear about the type of interest they are declaring and that minutes record specifically what has been declared (ie pecuniary, prejudicial, or both) and to which item it relates to ensure transparency, honesty and openness and to reduce risk to the Council and / or a Member being challenged. A Member may wish to request a dispensation which, if the Council so approves, would allow that Member to be involved in discussion – Localism Act 2001 s33. If a Cllr receives financial recompense from the Council for an activity they should certainly declare a pecuniary interest and ideally remove themselves from the discussion pertaining to the area in which they have an interest, and certainly not vote. It should be recorded in the minutes that they have left the meeting and taken no part in the discussion or vote to avoid challenge that they may have influenced a decision made by Council. If a Councillor cannot easily remove themselves from the meeting the dispensation may cover them being present in the meeting and perhaps participating in discussion but certainly not voting and I would also suggest that it is minuted, whenever required, that the Member did not vote and / or has a dispensation so it is very clear. The onus is on the Member to do the correct thing when declaring interests but Councils must ensure they follow their own procedures at all times when considering quotes / tenders for works so as to ensure they are safeguarded at all times – I am satisfied that the Council follows procedures in terms of awarding contracts but bring this to the Council's attention for any future discussions and considerations so as to be mindful of how things may be perceived by members of the public.

I would like to take this opportunity to congratulate Wicken Parish Council, and the Clerk, for operating a well managed Council both financially and in terms of governance and I very much look forward to auditing Wicken Parish Council in 2023.

Yours sincerely,

Yours sincerely,

Mrs G Wells
Internal Auditor to the Council
07525070625
Thewellsclan1@googlemail.com

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

	Year ending 31 March 2021	**Year ending 31 March 2022**
1. Balances brought forward	31069	32274
2. Annual precept	7700	8000
3. Total other receipts	16757	11906
4. Staff costs	0	0

5. Loan interest/capital repayments	0	0
6. Total other payments	23252	12197
7. Balances carried forward	32274	39983
8. Total cash and investments	32274	39983
9. Total fixed assets and long-term assets	55545	240255
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 (2020)*. 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://www.northantscalc.com/uploads/practitioners-guide-2020-2.pdf