

Internal Audit Report

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

Name of council:	Cottingham Parish Council		
Name of Internal Auditor:	Helen Hoier	Date of report:	29/04/2024
Year ending:	31 March 2024	Date audit carried out:	25/04/2024

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 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 Rachel Faulkner (Clerk/RFO) on 25 April 2024 via Zoom to carry out the year-end audit of the Council. Upon examination of bookkeeping, due process, risk management, budget, payroll, asset control, bank reconciliations and year-end procedures; it is clear that every effort is made to ensure that the Council acts lawfully, transparently and in accordance with proper practices. I would like to congratulate Rachel on attaining the Certificate in Local Council Administration qualification in 2023/24.

The Council has a turnover of over £25,000 and therefore is not obliged to comply with the Transparency Code, however all governance and financial documents are easily accessible to interested parties via the Council's website. The Council is not currently eligible to use the General Power of Competence and as such understands that it must ensure it spends within its legal powers (particularly Section 137 under which there was an item of expenditure in 2023/24).

Issues raised in 2022/23:

- Not publishing relevant data in respect of a limited assurance review in 2021/22 due to an annual turnover of over 25,000 resulting in a 'no' response to internal control objective N.
- Ensuring that the Council's internal controls and financial procedures with regards to accountability, governance and transparency are as effective as possible for which suggestions included:
 - Recording in the minutes the Council's regular monitoring of performance against its budget.
 - Continuing to transact the Council's approval of the Annual Governance and Accountability Return within the same agenda item but minuting Section 1 and Section 2 separately in a sub list.

- Acknowledging the Council's official local government status:
 - Referring to the May meeting as the Annual Meeting of the Council (as opposed to the AGM which is a legal requirement for companies and charities) and ideally transacting all business for the month using a single agenda once statutory procedures have been completed in accordance with Model Standing Orders 5 (e) and (j).
 - Replacing the use of private e-mail addresses for Council business with a corporate address in compliance with General Data Protection Regulation as prescribed in the 2023 edition of The Practitioners' Guide (paragraph 5.205 refers).

Issues raised in 2023/24:

- It is evident from governing documents and when speaking with the Clerk/RFO that the Council is fully aware of its responsibilities regarding public finances, especially with regards to accountability, governance and transparency. However, this could be even more effective by ensuring the following:
 - Reviewing previous internal audit reports to ensure recommended actions continue to be implemented:
 - Monitoring the Council's website to ensure content and links are current in compliance with the latest legislation and/or recommended good practice.
 - Ensuring that the correct legal power to spend is used when checking details of the monthly schedule of payments (not relevant once the Council has resolved at a meeting that it meets the eligibility criteria of the General Power of Competence).
 - Approving and recording regularly in the minutes the reconciled balance of all bank accounts.
 - Including values when minuting the annual budgeting process.
 - Replacing the Council's e-mail address with a .gov.uk domain as advised in the 2023 and 2024 editions of The Practitioners' Guide.
 - Replenishing the current level of reserves for which the recommendation is up to twelve months of net revenue expenditure.

Other than the above matters, the Council appears to be performing well, with its business affairs managed properly by a very competent Clerk/RFO and committed Council members.

Yours sincerely



Mrs Helen Hoier
 Internal Auditor to the Council
 01536 330858/07721 778773
 h.hoier_las@btinternet.com

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	23,767	25,450
2. Annual precept	19,978	20,977
3. Total other receipts	2,136	2,905
4. Staff costs	7,584	12,656
5. Loan interest/capital repayments	711	711
6. Total other payments	12,136	26,585
7. Balances carried forward	25,450	9,380
8. Total cash and investments	25,450	9,380
9. Total fixed assets and long-term assets	134,523	137,049
10. Total borrowings	4,521	4,160

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2023)*. 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/practitioners-guide-2023>.