

Internal Audit Report

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

Name of council:	FLECKNEY Parish Council		
Name of Internal Auditor:	Catherine Camp	Date of report:	23 rd May 2023
Year ending:	31 March 2023	Date audit carried out:	23 rd May 2023

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 2022. 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 met with John Flower (Clerk & RFO) and Hannah Whitehead (Administrative Assistant) on 23rd May 2023 to carry out the Internal Audit for Fleckney Parish Council. I utilised the Council's website to view Minutes, Financial and Audit information and policy documents. I then requested further documents via email before carrying out a remote Internal Audit by "zoom" videoconferencing.

We discussed the New Sports Centre project. I am pleased that John has taken VAT advice and intends to take further advice where necessary to ensure that VAT is properly accounted for when undertaking such a large capital project.

Fleckney Parish Council has money spread across several different accounts to ensure that it is all held safely and does not exceed £85,000 which will protect it in any event of collapse of a financial institution. Cash holdings of almost 3x the precept are in place since a large proportion is required to fund the new sports centre.

I understand that this is the first year-end using a new booking system for the Sports Centre. This has made accounting for debtors difficult but going forward this system will allow online and cash-less bookings.

I would advise the Council to consider a more robust back-up system for online documents so that working documents are continually backed up and will not be lost in the event of a computer failure, or human error if the backing up process is forgotten for a period.

I note that following the recent election the Council now has sufficient elected members to resolve to use the General Power of Competence as of May 2023.

I am pleased to be able to report that having tested all aspects of the council's internal controls that I am required to consider, based on the information made available to me, I am satisfied that in all significant respects the internal control objectives were achieved throughout the financial year to a standard adequate to meet the council's needs.

This is a very well managed Parish Council with robust systems in place. Accordingly, I have completed and signed off the Annual Internal Audit Report (AIAR) 2022/23.

Have comments from the internal audit 2021-2022 been addressed?

Recommendation 2021-2022	Comment
Standing Orders and Financial Regulations need to be reviewed.	Financial Regs reviewed Nov 22 Standing orders reviewed Feb 23
Consider registering land holdings with Land Registry	Yet to be considered.

Areas in the 2022-2023 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 2022-2023

Areas for consideration or improvement	Recommendation
Ensure VAT implications of building a new Sports Centre are clearly understood.	Attend any training that may be required.
Consider registering land holdings with Land Registry	
Consider a real-time back up system	Remove the need for manual back up
For improved transparency	Display Asset Register on the website

Yours sincerely,



Mrs. Catherine Camp
Internal Auditor to the Council
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	308,655	375,571
2. Annual precept	143,150	147,450
3. Total other receipts	61,453	63,131
4. Staff costs	56,900	74,912
5. Loan interest/capital repayments	7,825	0
6. Total other payments	72,962	90,250
7. Balances carried forward	375,571	420,990
8. Total cash and investments	401,707	426,548
9. Total fixed assets and long-term assets	1,453,791	1,480,845
10. Total borrowings	0	0