

ILTON PARISH COUNCIL INTERNAL AUDIT 2022-23

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.

To: The Members of Ilton Parish Council:

Following discussion with Kim Larsson, Clerk & RFO, and by mutual agreement, I carried out the audit remotely, by means of a Zoom virtual meeting. I thank Kim, for her co-operation and assistance in providing me with the Accounting Statements and full year accounts in good time, and where necessary, providing supplementary evidence to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR). This supplementary information was provided in the form of questioning at the audit meeting.

Prior to our Zoom meeting, I spent time examining the publicly available information displayed on the council's website including a full review of the previous 12 months agendas and minutes and the Council's policies.

I was satisfied to see that appropriate accounting records have been properly kept throughout the year and VAT was properly accounted for. It was also gratifying to read that Cllrs agreed an increase in the Clerks hours, demonstrating a valued endorsement of the work undertaken by the Clerk.

Going forward, the PC do need to implement a more formal approach in terms of the annual budget setting, which in turn will determine the amount of precept to request. The agreed budget should also be displayed on the PC's website for full transparency with parishioners.

I suggested a few "good practice" additions to the already good work being undertaken; such things as recording the time meetings get closed, adding a review date to policies, and spending some of your much accrued funds which I understand will start to happen this year with various projects.

The most important statutory issues though identified during my audit process were as follows:

- (i) The Council's website contains most of the required information, but a priority we discussed from a Financial Regulations perspective is the need to adopt a Financial Risk Assessment. Proper practices require a Council to maintain a Financial Risk register/assessment and review it at least annually. Information on this can be found on page 65 of the Practitioners Guide but as agreed, I will also share a draft template which can be adapted to Ilton PCs requirements.
- (ii) The other area of issue is the lack of an asset register, so I was unable to check your figure of £285,655 from the Accounting Statement. The Clerk and I discussed this at length, and she acknowledged being very much aware of this but has been unable to find any asset listings since taking over. She will continue to look through historic records, however, for the time being, I suggested that as last year's Internal Auditor confirmed their sign off of fixed assets of £284,547, Kim should draw a line under matters for now and start with £284,547 and then log all assets since her appointment. Then, over time, previous assets can be added as and when identified.

Because both of these points are controls I am required to check and see evidence of, I have unfortunately had to mark both as not meeting a control objective on my AIAR, so an explanation will need to be provided when submitting the year end documents to PKF LittleJohn.

Notwithstanding these two points however, I did witness from my thorough review that since joining last year, Kim has made a number of significant best practice improvements, and a few more, which I hope were helpful, were suggested going forward.

To conclude, 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 bar items C & H of the AIAR, that internal control objectives were achieved throughout the financial year to a standard adequate to meet the council's needs. Accordingly, I have completed and signed off the Annual Internal Audit Report as required.

Joanna Simonds, PSLCC, CiLCA - Internal Auditor to the Council

The figures submitted in the Accounting Statements 2022/23 are:

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	149,659	175,732
2. Precept or Rates and Levies	22,500	22,500
3. Total other receipts	83,789	12,541
4. Staff costs	5,018	6,444
5. Loan interest/capital repayments	0	0
6. All other payments	75,198	23,063
7. Balances carried forward	175,732	181,265
8. Total value of cash and short term investments	175,732	181,265
9. Total fixed assets plus long-term investments and assets	284,547	285,655
10. Total borrowings	0	0