

Internal Audit Report

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

Name of council:	Cosgrove Parish Council		
Name of Internal Auditor:	Kate Houlihan	Date of report:	01 December 2023
Year ending:	31 March 2024	Date audit carried out:	01 December 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 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 carried out an Interim Internal Audit on the 1st December and I would like to thank the Clerk for her time, and for supplying me with documentation prior to and following our meeting.

I would congratulate the Clerk on completing the Introduction to Local Council Administration (ILCA) course so soon after her appointment. I understand the Clerk would like to continue her studies with the Certificate in Local Council (CiLCA) and the council support this, which is welcomed.

I have reviewed the records and cashbook being maintained and all is in excellent order, with comprehensive and easily accessible records held.

The points raised in this report are made to further support the council in meeting statutory, and best practice requirements.

Website

The Clerk is aware that the Cosgrove Parish Council website is extremely difficult to find using Google, but is easily accessible using Microsoft Edge and other browsers. The council may want to consider seeking some support to improve the accessibility of the website.

Risk Management

The Council needs to review their risk assessment prior to the end of the financial year. I have supplied the Clerk with some template documents to support this. As part of the council's risk management a system of Internal Control should be introduced, whereby councillors review invoices, bank statements and the cashbook. I have supplied a sample policy and checklist.

Core Policies

Financial regulations have been reviewed and updated to incorporate the use of electronic

payments. I have suggested that the Clerk contact NcALC to obtain a list of policies and procedures which should be held, this can then be reviewed to identify any gaps. All policies should be published on the council website.

Asset Register

The asset register will be reviewed as part of the year end audit.

Budgets/ Precept

The precept was set at £25,000 for 2023/2024. However, the minutes from January 2023 show that the public and press were excluded from this part of the meeting. The budget and precept should have been set with public present.

The current Clerk provides the council with a detailed monthly finance report which details running balances, progress against budget and expected outturn.

Salaries / Pensions to Employees

The Clerk is using HMRC basis tools to support the payroll function. The Council may wish to consider appointing a third-party contractor to carry out this function, to ensure a segregation of duties. There are a number of payroll providers available offering cost effective services for parish councils. I have passed the clerk details of companies offering this service. The council can review other providers should they decide to proceed with this.

I understand that the Council is considering joining the Local Government Pension Scheme, I have advised the Clerk to speak to the administrators of the Northamptonshire Pension Fund so that the council has a clear understanding of the onboarding costs.

Bank Accounts and payments

An audit trail on a number of transactions was carried out linking payments to the cash book and invoices. All was in order. However, in speaking with the Clerk I understand that the Council's electricity bill for the unmetered connection for street lights remains out of contract, obviously market conditions are difficult, but it may be worth reviewing.

Year End and completion of the Annual Governance and Accountability Return.

I have suggested that the Clerk undertake training prior to completion of the year-end accounts and the Annual Governance and Accountability Return. It is important that these documents are completed correctly and published on the council's website within the statutory deadlines.

Other matters

I understand that the council has not reviewed their Cemetery Fees since 2016 and I know that the Clerk will be bringing this to council for consideration.

The council now operates a planning sub-committee. The council should agree clear terms of reference for this sub-committee. So that the remit, decision-making powers and any scheme of delegation are clear.

I look forward to meeting with Jenny to complete the year-end audit in 2024.

Yours sincerely

K Houlihan

Miss Kate Houlihan

Internal Auditor to the Council

