

Internal Audit Report

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

Name of council:	YELVERTOFT PARISH COUNCIL		
Name of Internal Auditor:	Catherine Camp	Date of report:	20.04.2024
Year ending:	31 March 2024	Date audit carried out:	20.04.2024

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 carried out an Internal Audit of Yelvertoft Parish Council on 20th April 2024 mainly by an examination of the information provided on the parish website. I found the website easy to navigate, and documentation allowed a transparent view of the council's business. My thanks to the Parish Clerk/RFO, Samantha Haywood, for providing additional information on request and being available to discuss matters via a zoom video call.

I examined Book-keeping, Due Process, Risk Management, Bank Reconciliations, Internal Control and performed a detailed scan of the minutes via the website. I also sought evidence that the previous Audit recommendations had been actioned.

I noted that the figures in Box 6 and 7 had been altered after I had concluded the Internal Audit for year ending 31 March 2023. The Clerk provided additional information to show that this had taken place following guidance from the External Auditor. Changes were initialled by the Chairman and Clerk but not recorded within the minutes of the Council, however on further questioning I am satisfied that the Council were made aware and voted on the alterations.

I draw the Councils attention to the following:-

1. The Clerk, and some Councillors are still using personal finances to purchase items on behalf of the Council and re-claiming the expenditure through expenses.

A councillor should never spend the council's money. That includes placing orders, making purchases, and any other form of committing a council to a financial transaction. Such things are the sole domain of the management side of the council; usually effected by the clerk or

Responsible Finance Officer (RFO) in accordance with Financial Regulations and Standing Orders. A councillor's role is limited to approving transactions when instructed to do so by the council based on the council's approval of a schedule of bills for payment presented to an appropriate council meeting.

Clerks and RFOs must take reasonable steps to ensure the complete and total separation of the council's finances from their own personal and private finances. That means never paying for council purchases using their own credit card or bank transfer from their personal account. A clerk may try to be helpful to the council by making purchases on their own credit card for things like antivirus software, which normally requires payment by credit card with no option for bank transfer or for an invoice to be sent, but such practice is contrary to good practice.

Paragraph 6.20 of the Model Financial Regulations 2019 (a brand-new version is due out by March 2024) states that "Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk [and RFO] and shall be subject to automatic payment in full at each month-end. Personal credit or debit cards of members or staff shall not be used under any circumstances."

Financial Regulations can sometimes appear somewhat restrictive or pernickety, but they are there for very good reason.


The Clerk needs to request an invoice for supply of goods which is paid directly from the council account, and I suggest the Council consider obtaining a limited credit/debit card which can be used by the Clerk on the Council behalf.

2. At the Annual Meeting of the Council I note that the Clerk was given full delegated power. I suggest a document should be drawn up to set out what this actually covers.

Overall this is a very well run Council, which is clearly reporting how public money is being spent.

Having tested all the objectives of internal control as set out in the Internal Audit section of the AGAR, through the examination of the evidence and discussions with Samantha I am satisfied that the Council has met the requirements and I have signed off the AGAR as required.

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 2023	Year ending 31 March 2024
1. Balances brought forward	55,540	55,095
2. Annual precept	29,503	29,503
3. Total other receipts	35,440	33,734
4. Staff costs	7,748	9,372
5. Loan interest/capital repayments	4,334	1,047
6. Total other payments	55,154 53,306	32,907
7. Balances carried forward	53,247 55,095	75,006
8. Total cash and investments	53,247 55,095	75,006
9. Total fixed assets and long-term assets	117,872	120,964
10. Total borrowings	1,047	0

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>.