

## Internal Audit Report

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

Name of council:	Mawsley Parish Council		
Name of Internal Auditor:	Julia Tufnail	Date of report:	8.6.2020
Year ending:	31 March 2020	Date audit carried out:	8.6.2020

*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:

It is noted that the Clerk to the council went off sick from December 2019, having missed a number of the Council meetings from July 201, and that an interim clerk, Claire Tilley, was appointed from March 2020. It is also noted that the Clerk left on 31<sup>st</sup> May 2020.

I would like to thank Claire Tilley for her time and assistance in this audit and report as follows:

Appropriate accounting records had not been kept during the year and that the interim clerk has had to recreate from scant evidence the accounts. It must be noted that not all payments are mintued.

The council does not demonstrate its power to make payments either in the accounts or the minutes. Indeed, there are some payments which are questionable. The Peace Memorial Wall should fall under the s137 (free resource) which requires separate accounting and minuting for each payment. This has not been done. I am also unclear why a councillor would be paid £175 for a hearing aid without any receipts or resolution in the minutes.

Payments were not always supported by invoices and it does not appear that VAT has been correctly dealt with in respect of the community centre. No claim has been made for a VAT refund during the year.

The Council's budgetary process is very limited and needs to be overhauled urgently. The Council have not assessed their risks in achieving its objectives during the year. Inadequate internal control is evident and must be addressed by the council as a matter of urgency.

Income was not recorded in the minutes nor in the cash book.

The clerk's salary was outsourced but it was down to the clerk to make the payments to HMRC which were due. At the end of the year there were amounts outstanding to HMRC. However, the interim clerk has ensured that all amounts outstanding have now been paid.

It is felt that the asset register is not up to date and certain items that had been bought by the council are not on the asset register.

It seems that accurate periodic bank reconciliations were not carried out during the year.

I can see that the council did publish the notice of public rights as required on the website.

The Council's website is very difficult to navigate and the council does not give Members Interests at all. This should be addressed moving forward.

On a lighter note, I can see that the interim clerk has made a sterling job in bringing the accounts in line going forward and she should be congratulated for her work. However, I do feel that the whole council would benefit from NCALC training so that all members understand their responsibilities to public money and the residents they serve. I can confirm that NCALC are willing to help you with this.

**Julia Tufnail**

NCALC Internal Auditor to the Council

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The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2019</b>	<b>Year ending 31 March 2020</b>
1. Balances brought forward	95,956	100,091
2. Annual precept	60,000	80,000
3. Total other receipts	6,123	12,947
4. Staff costs	7,884	6,081
5. Loan interest/capital repayments	1,840	1,840
6. Total other payments	52,263	44,674
7. Balances carried forward	100,091	140,443
8. Total cash and investments	100,091	140,443
9. Total fixed assets and long-term assets	1,663,454	1,663,454
10. Total borrowings	6,440	4,600

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2019)*. 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/uploads/practitioners-guide-2019.pdf>