

Internal Audit Report

(to be read in conjunction with Section 4 of the Annual Return)

Name of council:	Upton Parish Council		
Name of Internal Auditor:	Mrs T Charteress	Date of report:	23 rd June 2017
Year ending:	31 March 2017	Date audit carried out:	2 nd & 23 rd June 2017

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.

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:

Thank you very much for time taken out by the Clerk to conduct the Internal Audit for Upton Parish Council.

I examined Book Keeping, Due Process, Risk Management, Budget, Payroll, Asset Control, Bank Reconciliations & Year End Procedures. I also sought evidence that Audit reports from the previous years had been actioned, and that Parish Council records are being safely backed up.

I would draw your attention to the following comments:

- I note that following my visit last year the Council did not ensure the accounts were being maintained correctly and that the new Clerk has had to re-work the entire year
- The Council has not taken my comments regarding S137 on board and has awarded local groups grants during 2016/2017 which should be shown in a separate column in the accounts under S137
- Section 137 of the Local Government Act 1972 allows monies to be given to local groups and organisations. There are restrictions on granting this money to religious organisations and I would suggest the Friends of Upton Church are a religious organisation. I appreciate the churchyard is closed and therefore the Parish Council have a statutory power to pay for its maintenance however money is being given to this organisation by way of a grant and is not being directly paid to contractors for the maintenance of the area
- The Council minutes for the majority of the year are very difficult to understand; many of the Resolutions shown do not make sense. I am very pleased to note that following the recruitment of a new Clerk the minutes are very clear and concise
- Cheque number 716 for £957.98 shows the purchase of tents. The tents do not appear on the Asset Register and I believe therefore they were bought on behalf of Scouts. Care must be taken with this type of transaction as this could be deemed as VAT fraud as the VAT was claimed back. The Council should have agreed a grant for the Scouts so they may then go and purchase their own tents
- Council Members cannot vote by proxy
- Cheque number 710 for £13.39 is an expenses claim form for petrol; the amount Councillors should be claiming is 45p per mile unless an agreed policy changes that. The claimant claimed 65p per mile
- The website is not up to date and has a number of missing items on it

- Minute reference 16/198 is unlawful. An item cannot be added to the bottom of a Council meeting during a meeting, without being placed on an agenda three clear working days before
- Co-option of new Members should be done in open forum under the guidelines of the agreed Standing Orders
- I am very pleased to note the changes in the council since the arrival of the new Clerk. The Clerk has introduced new policies and ensured the Risk Assessments had been adopted just in time for the year end. The accounts are now very well maintained and the minutes clear. I would question the effectiveness of last year's Internal Control Procedure having found so many mistakes including payments made and not minuted; I would suggest the Council tightens up its Internal Control for the coming year
- I was very pleased to see the Parish Council has correctly earmarked its reserves and presented a detailed budget

May I take this opportunity to wish Upton Parish Council a successful year and I look forward to coming back next year and seeing many more improvements.

This report is based on the evidence made available to me. 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. Consequently the report is limited to those matters set out above.

Yours sincerely,

Mrs Tina L Charteress CiLCA
Internal Auditor to the Council

The figures submitted in the Annual Return are:

	Year ending 31 March 2016	Year ending 31 March 2017
1. Balances brought forward	37,525	54,008
2. Annual precept	27,000	32,400
3. Total other receipts	66	3,139
4. Staff costs	2,945	6,987
5. Loan interest/capital repayments	0	0
6. Total other payments	7,638	20,259
7. Balances carried forward	54,008	62,301
8. Total cash and investments	54,008	62,301
9. Total fixed assets and long term assets	0	7,484
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2017)*. It is a guide to the accounting practices to be followed by local councils, and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<http://www.northantscalc.com/uploads/practitioners-guide-2017.pdf>