

Internal Audit Report

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

Name of council:	Kilby Parish Council		
Name of Internal Auditor:	Hayley Cawthorne	Date of report:	23/04/2023
Year ending:	31 March 2023	Date audit carried out:	17/04/2023

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 proper practices referred to in Accounts and Audit Regulations are set out in JPAG Practitioners Guide 2022. 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.

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 the year-end audit review of Kilby Parish Council on the 17th April, 2023. This year's audit was carried out remotely using Zoom.

Prior to this date, Tina Cox, the parish clerk, had kindly forwarded me both the end of year accounts and the completed AGAR Form 2.

I reviewed the information available on www.kilbypc.org.uk before the remote meeting and I was able to access a well ordered and detailed set of documents and records.

By examination of these documents and records plus further queries, with the clerk during our remote meeting, I tested aspects of the Council's internal controls as required for the Internal Audit section of the Annual Governance and Accountability Return (AGAR) Part 2, and notwithstanding the items noted below, I am satisfied that effective policies and procedures together with systems to manage, monitor and control the Council's business are in place. As a result, I was able to answer 'Yes' to all the relevant questions on page four of the AGAR and have signed as required.

Comments from the internal audit 2021-2022

Recommendation 2021-2022	Comment
1. It was discussed and suggested that moving forwards, the signatories for payments, also sign the invoices and cheque stubs to provide an audit trail that they have agreed the amount being paid matches the amount on the invoice.	Completed
2. It was discussed and recommended that the Financial Regulations are reviewed and updated where necessary on an annual basis.	Completed
3. It was recommended that the Parish Council consider adopting an Equal Opportunities policy.	Completed

Summary of the 2022-2023 AGAR Annual Internal Audit Report

	Yes/No	Reason
A	Yes	
B	Yes	
C	Yes	
D	Yes	
E	Yes	
F	Not covered	No petty cash
G	Yes	
H	Yes	
I	Yes	
J	Yes	
K	Yes	
L	Yes	
M	Yes	
N	Yes	
O	N/A	No trust funds

Recommendation for action 2022-2023
Recommendation to review the payroll service to ensure payslips are containing all necessary information
Recommendation to review the work from home allowance for the clerk to ensure it aligns with the HMRC guidelines

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 to detect error or fraud. Consequently, the report is limited to those matters set out.

I would like to wish your council all the best for the year ahead.

Yours sincerely,

Hayley Cawthorne

Internal Auditor to the Council

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

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	11,173	12,970
2. Annual precept	7,678	8,490
3. Total other receipts	1,600	139
4. Staff costs	3,106	3,468
5. Loan interest/capital repayments	0	0
6. Total other payments	4,375	4,792
7. Balances carried forward	12,970	13,341
8. Total cash and investments	12,970	13,341
9. Total fixed assets and long-term assets	50,286	50,286
10. Total borrowings	0	0