

# Annual Internal Audit Report 2022/23

BRIXWORTH TOWN COUNCIL

www.brixworthparishcouncil.gov.uk

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes ✓	No 	Not applicable 

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

28/04/2023

Name of person who carried out the internal audit

CLAIRE TILLEY

Signature of person who carried out the internal audit



Date

15/04/2023

**\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

**\*\*Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



# Internal Audit Report

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

Name of council:	Brixworth Parish Council		
Name of Internal Auditor:	Claire Tilley	Date of report:	15 <sup>th</sup> May 2023
Year ending:	31 March 2023	Date audit carried out:	28 <sup>th</sup> April 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 had a virtual meeting with the Clerk on the 28<sup>th</sup> April which concluded my works auditing the governance and finances of the Parish Council via the website and provided paperwork. I would like to thank Josie and Gavin for their help and co-operation. Brixworth is a very large parish and has many of the duties and responsibilities usually pertaining to a town council. I was impressed with the level of commitment from all involved. I note as well that last year saw a reorganisation of many of the committees and working groups.

My report is an annex to the Annual Internal Audit report, which forms part of the AGAR. I found I was able to agree that all the relevant Internal Control Objectives were achieved and am happy to sign off the AIAR.

For completeness, I make the following comments with regards to these objectives.

- A. Appropriate accounting records- *The accounts are facilitated by Scribe software which was up to date and all figures correctly carried over to the Annual return. The RFO shows a very thorough understanding of the finances of the council, as highlighted by her explanation of variances year on year.*
- B. Authority complied with financial regulations, payments, invoices and expenditure approved- *The relevant regulations and policies were in place. Internal control is carried out monthly in adherence to the policy and Financial Regulations. VAT evidence of recording and claiming was seen on the cash book. I did note that the bank statement and mandate need to be updated, as have a previous clerks' details still on it. However, I am assured that the admin assistant is a signatory and is currently making the payments in conjunction with the Clerk using delegated authority.*

- C. Risk assessment- *An annual risk assessment was reviewed in October 2022 using the LRCS system. Relevant Insurance cover is in place, although the review was not minuted. I understand that the Clerk is in the process of obtaining quotes for this coming years renewal, so am confident it will be properly reviewed and recorded this year coming. monitoring is carried out weekly and reported at meetings.*
- D. Precept and budget- *an adequate budgetary process was carried out by the Finance Committee in January - minute ref 22/0016. This was then reported to a full council meeting. A budget was approved- but it would be better to minute the amount- which then explains the rationale behind the precept request of £175,000*
- E. Expected income- *the precept was correctly received . Two other hire charges are received annually from sporting groups, and this arrangement is to be formally reviewed shortly.*
- F. Petty cash- *the council does not use Petty Cash*
- G. Salaries- *Wages are outsourced to DCK payroll services- so ensuring compliance with HMRC regulations. Initially, the Scribe software had excluded PAYE and Pension payments from the staff costs in the Accounting Statements-Box 4, but this has now been corrected on the AGAR.*
- H. Asset/Investment register- *A very comprehensive asset register and land register was up to date and available on the website.*
- I. Bank reconciliations- *these are created by Scribe and presented with the Agenda pack on a regular basis.*
- J. Accounting – *The cashbook was prepared on a receipts and payments basis, which is correct. I selected four transactions for an audit trail, and all paperwork was in order. I was also given view access to the Scribe software used- which enabled me to check transactions and verify the figures on the Accounting Statement.*
- K. Audit exemption-*The council are not exempt due to the income and expenditure exceeding £25K.*
- L. Publication requirements- *All paperwork was published before the end of September 2022 on the website.*
- M. Exercise of Public Rights- *this declaration was seen on the website and had the 30 working days identified.*
- N. AGAR publication requirements- *Sec 1,2 and the Internal report of the AGAR were published on the councils website within the timeframe. Notice of conclusion of audit and the External auditor report was also available.  
NB. The matter brought to attention regarding risk has now been very comprehensively covered, by the introduction of the LRCS system.*
- O. Trust funds- *the council is a Trustee of the Hall- and monthly meetings are held where invoices are approved. The figures and bank account are held separately to the council finances and most administration is carried out by individual trustees.*

Yours sincerely,



Ms Claire Tilley  
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 2022</b>	<b>Year ending 31 March 2023</b>
1. Balances brought forward	256,193	410,376
2. Annual precept	166,460	170,000
3. Total other receipts	284,311	94,260
4. Staff costs	73,841	88,310
5. Loan interest/capital repayments	0	0
6. Total other payments	222,747	197,696
7. Balances carried forward	410,376	388,630
8. Total cash and investments	410,376	388,360
9. Total fixed assets and long-term assets	339,372	339,372
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 (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. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2022-8.pdf>