

Internal Audit Report

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

Name of council:	BURBAGE PARISH COUNCIL		
Name of Internal Auditor:	Catherine Camp	Date of report:	17.04.24
Year ending:	31 March 2024	Date audit carried out:	17.04.24

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. 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 an Internal Audit of Burbage Parish Council on 17th April 2024 mainly by an examination of the information provided on the parish website. My thanks to the Principal Officer/RFO, Juliet Perry, for providing additional information on request and for being available to discuss matters via a video zoom call.

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

This Council is clearly very well organised and actively engaged in working on behalf of their community. Policy documents are in place and reviewed regularly.

I did find it quite difficult to find details of the items that were being purchased by the council and for transparency it might be helpful to add instruction on the home page stating that lists of receipts and payments, bank reconciliations and spend against budget are listed as attachments to the Agendas of the Finance and Administration committee.

Numbering on the Agendas does not correspond to the Minute numbering so it would be helpful to cross reference the numbers, or explain the topic, in the case of a Councillor declaring an interest. (eg on some occasions the minutes stated that the Councillor declared an interest in Agenda item 8 but the minutes did not include an item 8)

Having discussed the process with the Clerk, there is evidently a robust Internal Control system in place with mandate holders being sent scanned copies of invoices on a weekly basis to check against the list of awaited payments. Payments cannot be made without 3 mandate holders authorising them and a list of the Councillors who made the authorisations is held.

The RFO has delegated authority to authorise expenditure up to a maximum of £10,000 on any item for which provision is made within the appropriate budget. This needs to be included in the Financial Regulations of the Council.

Under 5.3 of Financial Regulations the RFO can act as a signatory in cases of urgency. The Council needs to be aware that operating this level of delegation needs very good Internal Control systems to protect both the Clerk and the Council and parishioners need to be able to see that it is being checked regularly. I am satisfied that it is, but the minutes do not reflect this.

I would suggest for the sake of clarity, that the Internal Control process is clearly spelt out in the minutes to confirm to residents that there is a robust system in place as detailed above.

Standing Orders are up to date and include member and quorum numbers for committees but it would be helpful to include these on the Terms of Reference of each committee as well.

It was noted that Councillors do not have a dedicated Burbage Parish Council email address. In the event of a freedom of information or data request, this could lead to Councillors having to surrender private emails. I understand that there is funding to help Councils move to a .gov.uk domain for which there is currently funding available until 31 March 25.

Have comments from the internal audit 2022-2023 been addressed? - Yes

Recommendation 2022-2023	Comment
To record details of bank balances and reconciliation in minutes on a regular basis to aid financial transparency.	This is now being included in the minutes of the Finance & Administration committee.

Areas in the 2023-2024 AGAR Annual Internal Audit Report for which Yes or N/A cannot be ticked

	Reason
A	
B	
C	
D	
E	
F	
G	
H	
I	
J	
K	
L	
M	
N	
O	NO The Council is not a trustee of any Trust Funds so this is N/A

Recommendations for action 2023-2024

Areas for consideration or improvement	Recommendation
Make it easier to find financial information	Provide instruction on website of location
Review Financial Regulations so that they reflect the delegated powers of the Clerk/RFO	Ensure that it is very clear what level of expenditure may be authorised by the Clerk.
Try to prevent members of staff having to use their own funds to purchase items for the council and then be reimbursed.	Consider a Parish Debit card with a fixed spend limit.
Committee Terms of Reference	Include the quorum number in the TOR
Review email addresses	Consider moving to dedicated Parish email addresses for Councillors.

Yours sincerely,



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 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	771,724	830,121
2. Annual precept	430,230	452,172
3. Total other receipts	198,542	439,135
4. Staff costs	227,133	276,466
5. Loan interest/capital repayments	29,568	29,131
6. Total other payments	313,674	367,172
7. Balances carried forward	830,121	1,048,658
8. Total cash and investments	823,406	1,038,284
9. Total fixed assets and long-term assets	2,325,212	2,444,483
10. Total borrowings	367,073	345,122