

Internal Audit Report

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

Name of council:	Lampport and Hanging Houghton Parish Council		
Name of Internal Auditor:	G Wells	Date of report:	8 th May 2023
Year ending:	31 March 2023	Date audit carried out:	3 rd May 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 would like to take this opportunity to thank your Clerk, Frances, for forwarding all of the additional requested 'Year End' documents to me allowing me to carry out a thorough inspection of the Council records and activities during the period 2022-2023, as well as responding to my queries and questions and for carrying out any actions so swiftly.

There are a few items which I bring to the Councils attention:-

1. Whilst I have been advised that the Council is having a new website constructed I am pleased to note the previous website is still live. However, until the new website is live and the relevant documents uploaded the previous website should be maintained and kept up to date. A number of documents were missing including minutes and, although I was advised important paperwork such as the notice of the dates of the exercise of public rights was published, I was still unable to locate it easily, nor the equality policy. Moreover, with regard other documents, what was uploaded was not always clear e.g a budget published was marked as 'draft'.

I would stress the urgency of getting the existing website up to date and, in the meantime, the new website ready to go live as soon as possible. I would also suggest that the Proper Officer to the Council manages the website and its content as part of their role to ensure that documents are uploaded in a timely fashion – it can be high risk to allow a third party or Councillor to have singular access and responsibility for uploading documents onto the Council's website just in case they leave the Council or are unable to carry out the tasks regularly.

2. The Council does not hold the General Power of Competence (GPoC) and, therefore, must denote the legal power and duty alongside each payment being approved both

in the minutes and on the ledger. This ensures to Councillors and Members of the Public that the Council is / has not acted ultra vires in payments being approved and made.

3. It is good practice to review documents at the Annual Parish Council Meeting – all policies and documents are working documents and can be subject to review and amendment whenever (other than where statutory provisions exist). An annual review is a minimum requirement and also aids Councillors in reminding them of the policies and procedures under which the Council, as a body, operates.
4. The budget was discussed but not 'specifically' approved / agreed in the minutes – the budget drives the precept demand and must be formally approved before the Council formally agrees the precept sum i.e. 2 separate resolutions. The precept was minuted as 'unanimously agreed'. The calculation for the precept is thus:-
anticipated year end sum minus anticipated expenditure in the following financial year plus anticipated income in the following financial year = the difference being the precept sum.
5. The agenda must be clear and concise but contain sufficient information to enable Councillors to make an informed decision and for members of the public to understand what decisions are being considered by the Council. Be cautious under matters arising that decisions made, especially financial, have sufficient information on the agenda to ensure Members of the Public understand that a decision and not just a report is / was being received / considered. If in doubt, put that issue as a separate agenda item with a concise but clear indication of what the Council is considering and that a resolution is expected.

I would like to take this opportunity to thank your Clerk, Frances, and the Council for all your hard work. I very much look forward to auditing Lamport and Hanging Houghton Parish Council in 2024.

Yours sincerely,



Mrs G Wells
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	3195	3505
2. Annual precept	5800	7300
3. Total other receipts	1359	975
4. Staff costs	3083	3392
5. Loan interest/capital repayments	0	0
6. Total other payments	3766	4819
7. Balances carried forward	3505	3569
8. Total cash and investments	3505	3569
9. Total fixed assets and long-term assets	33867	37746
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 (2023)*. 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.