

Internal Audit Report

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

Name of council:	MEDBOURNE PC		
Name of Internal Auditor:	Stuart McDonald	Date of report:	12/5/22
Year ending:	31 March 2022	Date audit carried out:	9/5/22

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 Chair of the Council:

I have carried out the Internal Audit for the year to March 31st, 2022, and I would like to thank Martin Field, the Clerk, for his time and assistance in enabling me to complete it.

Last year I raised the issue of the signing of the minutes, which was difficult during the lockdown period. I note that the minutes have been duly signed for the year just ended.

I also raised the concern that some of the minutes were not being posted to the website within 30 days of the meeting, even if in draft form. I am assured this is the case, but I would recommend that the date the minutes are posted on the website is recorded in the interests of clarity.

The Council was exempt from external review.

Now to this year.

I have ticked "No" to items L and N on the Annual Internal Audit Report (Page 4 of the AGAR). Both items relate to the publication of information required by the Transparency Code for Smaller Authorities (TC) for the year ended 31/3/21. As the Council was exempt from an external review by PKF Littlejohn, by virtue of its income/expenditure being less than £25,000 in that year, it must comply with the requirements of the TC.

I do not propose to provide an exhaustive list of the documents required by the TC, as the information is readily available, but the Accounting Statements (Page 6 of the AGAR) and the Annual Governance Statement (Page 5 of the AGAR), along with the Certificate of Exemption (Page 3 of the AGAR), are perhaps the most crucial. I understand that these omissions were

in error, and that the full AGAR was intended for publication, but only the Internal Audit report (Page 4 of the AGAR and itself a TC requirement) actually made it onto the website. As I say, there are other requirements of the TC, and I am happy to provide more detail if required.

Secondly, I would recommend that a formal inspection regime is set up so that the Council can formally record and minute inspections of its assets including its open spaces, a process which at present is carried out but not formally recorded. This will help to maintain the asset register, identify any defects present and/or repairs required, and will assist in reviewing the suitability of the annual insurance premium, the approval of which should also be formally minuted.

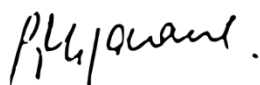
Finally, I also noted that the Council had a great deal of difficulty trying to put in place a new bank mandate, which, through no apparent fault of their own, took an excessively long period of time. This resulted in its being unable to write cheques for a considerable period of time, relying on the Clerk and others to pay monies out of their own personal accounts, in one case, to keep the street lights on. Whilst clearly not ideal, in this situation, needs must!

I am required to explain why I have ticked "Not covered" on the AIAR. Firstly, Petty Cash – quite simply, the Council does not operate a Petty Cash system. Secondly, re. Trust Funds, the Council does not act as a trustee.

CONCLUSION

I have tested all the Internal Control Objectives I am required to consider, and in all significant respects, the objectives have been met, except where I have explained otherwise, and I have therefore completed the Internal Audit Report section of the Annual Governance and Accountability Return accordingly.

Yours sincerely,



Stuart McDonald
Internal Auditor to the Council
sm9999@hotmail.co.uk

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

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	27876	24478
2. Annual precept	12256	13440
3. Total other receipts	787	982
4. Staff costs	2889	2811
5. Loan interest/capital repayments	0	0
6. Total other payments	13552	10421
7. Balances carried forward	24478	25668
8. Total cash and investments	24478	25668
9. Total fixed assets and long-term assets	47761	47761
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *JPAG Practitioners Guide 2021*. 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.leicestershireandrutlandalc.gov.uk/uploads/practitioners-guide-2021-1.pdf>