

Internal Audit Report

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

Name of council:	WYMESWOLD PC		
Name of Internal Auditor:	STUART MCDONALD	Date of report:	19/4/24
Year ending:	31 March 2024	Date audit carried out:	12/4/24

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 Chair of the Council:

I met with the Clerk Clare Higgins via Zoom on 12th April to carry out the Internal Audit of the Council for the year ended 31st March 2024. I should like to thank her for organising the meeting, and for providing all the information I required both before and during the audit. Also in attendance was Cllr Richard Higgins.

Last year's Internal Audit recommendations. I am pleased to say that all of these have been followed up. I have just one comment, and it concerns the potential for higher interest returns via the use of a savings account. I understand that the Council did not consider the rates on offer attractive enough to change the banking arrangements. No issue there, but I would suggest that rates have improved since then, and it may be worth another look.

Last year's External Review. Your attention was drawn to the fact that the Risk Assessment had not been reviewed during the year 22-23, as it had been approved on 3/4/23, which falls into the current year. This clearly cannot be an issue for this year!

Current year

I have a small number of comments to which I would draw your attention:

Risk Assessment (RA). The RA covers many of the areas it should, which is good. However, it could be improved in a number of ways.

1. The items listed are the actions taken to mitigate the risks, but the risks themselves are not identified. For example, on insurance, a risk is that the council is liable for perhaps punitively high costs through being uninsured, and the remedy (which you correctly identify in the RA) is the regular review of the scope and value of your insurances, along with regular asset inspections. Similarly on financial matters, a risk is the loss of monies due to non-collection of income or unauthorised expenditure, the remedies to which you have correctly listed.
2. The risks are not quantified. The Practitioners' Guide suggests that risks are categorised as higher and lower risk areas – there is an example in the Guide. By doing this, it is possible to focus on those risks that present the greatest danger.
3. Whilst many areas are covered, it could be more comprehensive. For example, there is no mention of the risk of the Council being without its Clerk, either from illness or resignation. Again, the Guide can help.

Minutes of Meetings. In many respects, the agendas and minutes are very comprehensive. However, there are a small number of instances where additional information would be desirable. For example, in September's minutes, item 18c, and in November's minutes, item 19a, repairs are referred to but no actual costs are reported. In 19b from the November meeting, the Council approved the insurance quote to add the Church Wall - how much was it? Just a little more information might help. There is an item on the agenda from November onwards, called "Action for Councillors", the minutes for which merely state that this has been updated and reviewed – further information as to the contents of this document (or perhaps publishing it as an appendix to the minutes) might be helpful to understand what actions are being taken, and perhaps more importantly, which are outstanding.

Approval of items paid. Each meeting, expenditure is approved by the Council, and signed off by Cllr Higgins. Whilst I am not in any way suggesting anything untoward is occurring, it is a fact that Cllr Higgins receives reimbursement of some, admittedly small, expenses each month. The Council might like to consider whether the task of signing off the payments should be rotated to other councillors.

I am required to state why I have ticked "Not covered" in answer to objective F (Petty Cash) – it is, quite simply that the Council does not operate a Petty Cash system.

I should like to add a comment to commend the progress that continues to be made on a number of issues. Well done.

CONCLUSION

Notwithstanding the comments above, by reviewing the hard evidence, discussing with the Clerk, and selectively testing a small number of transactions, I am satisfied that the Council is operating sound policies and procedures which enable it to deliver its services and fulfil its responsibilities effectively and efficiently. I have tested all the Internal Control Objectives I am required to consider, and in all significant respects, the objectives have been met.

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

Recommendation 2022-2023	Comment
All addressed – see my comments above	

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

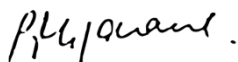
NONE

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Recommendations for action 2023-2024

Areas for consideration or improvement	Recommendation
Risk Assessment	See above
Minutes	See above
Expenditure sign-off	See above

Yours sincerely,



Stuart McDonald
 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	9,914	16,488
2. Annual precept	43,098	47,127
3. Total other receipts	15,708	16,406
4. Staff costs	9,919	10,632
5. Loan interest/capital repayments	0	0
6. Total other payments	42,313	53,110
7. Balances carried forward	16,488	16,279
8. Total cash and investments	16,488	16,279
9. Total fixed assets and long-term assets	240,318	240,320
10. Total borrowings	0	0