Northants CALC IAS

Internal Audit Report

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

Name of council:	Whilton Parish Council		
Name of Internal Auditor:	G Wells	Date of report:	13th May 2025
Year ending:	31 March 2025	Date audit carried out:	12th May 2025

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:

By mutual agreement I carried out the audit remotely by means of e-mail followed by a virtual meeting with Sue Porter, Clerk to the Council, on an online platform. I would like to thank Sue for her time, co-operation and assistance by forwarding the year-end data in good time which has been very helpful to me in delivering the audit.

I firstly examined the publicly available information displayed on the council's website including the council's policies, procedures, agendas, minutes, financial and other records.

I examined the council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the 'proper practices' as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control and year-end procedures including the display of information including the exercise of public rights.

There are a number of issues which I bring to the Council's attention for consideration and action:-

- The Councils website is difficult to navigate and locate documents on, however, it is populated with all the relevant and required records once located and, therefore meets publication requirements. I mention this as the

Council may wish to consider tidying it up and making it more user friendly for members of the public.

- During the audit period 2025 - 2026 every authority must have a generic email account hosted by an authority owned domain, for example clerk@whiltonparishcouncil.gov.uk or clerk@whiltonparishcouncil.org.uk rather than gmail or outlook for example.
- The Council committed to some large expenditure items to support the Village Hall in the period. I raised some concerns in the internal audit report last year and in particular the VAT situation with regard the PC paying for items for the Village Hall in order to utilise its ability to reclaim VAT. The VAT can be reclaimed only on items retained / owned on the asset register of the authority. Following discussion I am advised that the Village Hall is not owned and managed by the Parish Council. Moreover, much of this expenditure was unbudgeted for. As last year, I suggest the Council take expert tax advice on this matter so as not to risk investigation by the tax authority.
- The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure. The smaller the authority, the closer the figure may be to 12 months expenditure.
- The Council, in all other respects is managed well and this is reflected in its meeting records.

I am sad to advise that I will not be auditing the Council next year but I wish the authority the very best. I have enjoyed auditing Whilton Parish Council very much over the past few years.

Yours sincerely,

G Wells
Internal Auditor to the Council
gwellsinternalaudit@gmail.com

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

	Year ending 31 March 2024	**Year ending 31 March 2025**
1. Balances brought forward	32549	15514
2. Annual precept	16213	17186
3. Total other receipts	2446	8525
4. Staff costs	4815	5071
5. Loan interest/capital repayments	0	0
6. Total other payments	30879	23357
7. Balances carried forward	15514	12797
8. Total cash and investments	15514	12797
9. Total fixed assets and long-term assets	13165	24152
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 (2025)*. 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://northantscalc.gov.uk/practitioners-guide.