

## Internal Audit Report

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

Name of council:	Northaw & Cuffley Parish Council		
Name of Internal Auditor:	Peter Evans	Date of report:	6/5/2024
Year ending:	31 March 2024	Date audit carried out:	Initial visit 29/4/24

*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 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:

This audit was carried out by viewing documents on your website and a visit to the Council offices on 29 April 2024. I wish to thank the Clerk Lisa Peters for her help and useful knowledge, which clearly benefits the council. I am pleased to report that the records are in good order.

I have completed the 2023/24 Annual Internal Audit Report and have completed as yes boxes A, B, C, D,E,G,H,I,J, L, M & N.

I have stated as 'not covered' box F as the council do not operate a petty cash account.

I have stated as N/A for box 'K' as the council income/expenditure is above the exemption limit for a limited assurance audit and 'O' although I have asked the council to check whether the KGV Playing Fields is a trust.

My comments are below.

A. Appropriate accounting records have been kept throughout the Year.	YES/NO
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B. The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	YES/NO
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C. The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	YES/NO
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D. The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves are appropriate.	YES/NO
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It is noted that the council has considered the budget first, then the reserves and finally set the precept which is good practice.

E. Expected income was fully received based on correct prices, properly recorded, and promptly banked; and VAT appropriately accounted for.	YES/NO (Precept income)
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The Council last reviewed its investment policy in 2021. The Council may wish to consider spreading the investment that is currently only in bank deposit accounts paying low interest.

**Action: Review investment policy and Earmarked Reserves, set goals for future projects and then match investments to these goals and consider one-year bonds or accounts such as CCLA Public Deposit account.**

F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.	YES/NO/NA
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It is noted that the staff still purchase items from their own funds and claim this back. The Finance Regulations refer to an 'Imprest Account' and debit clerk (point 6.12), but this has not been set up. 6.12

**Action: That the council set up a credit or debit card for the clerk to allow for purchases to be made negating the requirement for staff to make these purchases from their own funds.**

<p><b>G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.</b></p>	<p><b>YES/NO/NA</b></p>
<p><b>H. Asset and investment registers were complete and accurate and properly maintained.</b></p>	<p><b>YES/NO</b></p>
<p><b>I. Periodic bank reconciliations were carried out throughout the year.</b></p>	<p><b>YES/NO</b></p>
<p><b>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.</b></p>	<p><b>YES/NO</b></p>
<p><b>K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.</b></p>	<p><b>YES/NO /N/A</b></p>
<p><b>L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation</b></p>	<p><b>YES/NO.</b></p>

The Transparency Code also states that the website should have a list of councillors, their responsibilities, contact address and Register of Interests.

With regards to the 'Register of Interests' this is the responsibility of the Monitoring Officer based in this case at Welwyn Hatfield Borough Council. Most Town & Parish Councils therefore just provide a link to the paperwork held by the Monitoring Officer as it this person's responsibility to ensure they are up to date and any agreed 'redacted' information is shown.

Northaw & Cuffley do not appear to follow this action, which has resulted in a number of different forms on the website. As there were elections in 2023 it would be an idea to update these at that time.

Action—That Northaw & Cuffley work with the monitoring officer at WHDC to ensure all forms are up to date and comply at least with the Model Code of Conduct adopted in 2020.

<b>M. The authority has, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit regulations.</b>	<b>YES/NO</b>
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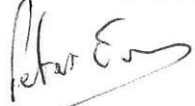
<b>N. The authority complied with the publication requirements for the prior year AGAR.</b>	<b>YES/NO</b>
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<b>O. Trust funds (including charitable) - the Council has met its responsibilities as a trustee.</b>	<b>YES/NO/NA</b>
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As Northaw & Cuffley have a King George V Playing Fields this is normally held under trust so should investigate whether the council should register with the Charity Commission and have separate meetings etc.

**Action: Council to contact Wellers Hedley to check the status of the King George V Playing Fields.**

Yours sincerely,



**Peter Evans PSLCC**  
**Internal Auditor to the Council**  
**07929 791331**  
[Pe140814@gmail.com](mailto:Pe140814@gmail.com)

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

	<b>Year ending 31 March 2023</b>	<b>Year ending 31 March 2024</b>
1. Balances brought forward	328337	454697
2. Annual precept	257511	266490
3. Total other receipts	143471	191974
4. Staff costs	99435	110892
5. Loan interest/capital repayments	0	0
6. Total other payments	175187	233472
7. Balances carried forward	454697	578797
8. Total cash and investments	442632	549314
9. Total fixed assets and long-term assets	1156825	1165638
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 (2022)*. 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:

# Annual Internal Audit Report 2023/24

## NORTHAW & CUFFLEY PARISH COUNCIL

<https://northawcuffleypc.org.uk/>

During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

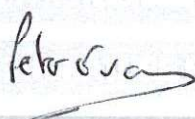
Date(s) internal audit undertaken

29/04/2024

Name of person who carried out the internal audit

Peter Evans

Signature of person who carried out the internal audit



Date

06/05/2024

**\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

**\*\*Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).