



INTERNAL AUDIT REPORT FOR THE YEAR ENDING 31 MARCH 2024

INTRODUCTION

This internal audit report is based upon the JPAG (Joint Panel on Accountability and Governance) Governance and Accountability for Smaller Authorities in England 2023 publication.

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps a council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

It is not the detailed inspection of all records and transactions of the Council in order to detect or prevent error or fraud. The objective of the internal audit is to determine whether the accounting arrangements, procedural controls, records, and documentary evidence are adequate to ensure the accurate and timely recording of financial transactions, so as to comply with all relevant legislation and best practice.

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

This report covers the activities of the Parish Council during the financial year 2023/24.

Selective testing was conducted, and the relevant policies, procedures and controls were reviewed. Inspection of digital documents, paper records and scrutiny of the parish council website were used to reference findings.

The matters raised in this report are only those which came to my attention during my internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

FINDINGS

Observations	Recommended Action
Accounting Records	
The Council uses Scribe to record financial transactions. Expenditure and income have been accurately recorded and well maintained throughout the year. The sample of financial transactions checked was satisfactory.	No further recommendations.
Financial Regulations and Expenditure	
The Council has complied with its Financial Regulations, and the banking arrangements are satisfactory.	No further recommendations.

Risk Management	
The council has undertaken an appropriate review of risk in June 2023 and has an adequate level of insurance. The internal controls are satisfactory, with financial reports being regularly reviewed by the council.	No further recommendations
Budgetary Controls (Precept Requirement)	
The annual precept requirement resulted from an adequate budgetary process.	No further recommendations
Budgetary Controls (Budget monitoring)	
Progress against the budget was monitored and minuted regularly. The level of general reserves is satisfactory.	No further recommendations.
Income Controls	
Expected income was fully received and properly recorded. VAT has been appropriately reclaimed on an annual basis.	Reclaim VAT quarterly to help with cash flow throughout the year.
Petty Cash Controls	
Petty cash is currently operated by the Council.	A debit / credit card is recommended.
Payroll Controls	
Salaries to employees were paid in accordance with Council approvals, with appropriate deductions applied.	No further recommendations.
Asset Register	
The council's materials assets have been correctly recorded and the correct valuation basis has been applied. The additions in this financial year have been recorded at gross cost.	Assets should be recorded at net cost if VAT has been reclaimed.
Bank Reconciliations	
Periodic and year-end reconciliations were carried out.	No further recommendations.

Accounting Statements	
The Accounting Statements prepared during the year were prepared on the correct accounting basis and were supported by an adequate audit trail.	No further recommendations
Limited Assurance Review Exemption	
The authority does not meet the exemption criteria.	No further recommendations.
Information Published on the Website	
The authority has a free to access website with the necessary information.	No further recommendations.
Period for the Exercise of Public Rights	
The Council correctly provided for the exercise of public rights in 2022/23, as evidenced by a notice on the website and in the minutes from 5 June 2023.	No further recommendations.
AGAR Publication Requirements	
The Council complied with the publication requirements for the 2022/23 AGAR. The minute reference for the approval of the Annual Governance Statement for 2022-23 is incorrect, as identified by the external auditor.	Ensure the council considers its response to the Annual Governance Statement Assertion 3.
Trust Funds (if applicable)	
The Council has met its responsibilities as a trustee.	No further recommendations.

TRANSPARENCY COMPLIANCE

Review of Internal Audit	
The Internal Audit had been reviewed the previous year and the council has made steps to address the issues raised.	No further recommendations.
Review of External Audit	
The External Audit had been reviewed and the conclusion of audit report for 2022/23 had been published on the website.	No further recommendations.
Accounting Statements agreed and reconciled to the Annual Return	
Section 2 of the Annual Return is complete and accurate and reconciles to the statement of accounts.	No further recommendations.

TRANSPARENCY CODE REQUIREMENTS

While the Parish Council does not fall in to the criteria for Councils below the £25k threshold, it is good practise for Parish Councils above the threshold to comply.

1) Expenditure over £100 is recorded on the Council website and with all information requirements	
Details of expenditure for 2022/23 are available in the minutes.	As best practice, expenditure over £100 should be uploaded annually as a separate document.
2) Annual Return published on the website	
Available on the website.	No further recommendations.
3) Explanation of Significant Variances	
Available on the website for 2022/23.	No further recommendations.
4) Explanation of difference between Box 7 & 8. if applicable	
Not applicable	No further recommendations.
5) Annual Governance Statement recorded	
Available on website for 2022/23	No further recommendations.
6) Internal Audit Report Published	
Available on website for 2022/23.	No further recommendations.
7) List of Councillors' Responsibilities	
Available on website	No further recommendations.
8) Details of Public Land and Building Assets	
Land ownership details and map are not on the website	No further recommendations.
9) Minutes and Agenda	
Available on website	No further recommendations.

FURTHER RECOMMENDATIONS

Investment Strategy

As the council is holding bank balances in excess of £100,000, it is required to adopt an appropriate investment strategy, following the Statutory Guidance on Local Government Investments (3rd edition). It was noted that this requirement was brought to the council's attention in the preceding internal audit report.

Banking

There is over £160,000 of the council's funds held in Santander accounts, which would be protected up to £85,000 under the Financial Services Compensation Scheme (FSCS). However, as the sums are considerably greater than this, it is recommended that the council looks at transferring some of its funds to another banking institution, having regard to the Statutory Guidance on Local Government Investments, to ensure the security and liquidity of the council's funds.

Gov.uk website and email addresses

It is a strong recommendation of the 2024 edition of the JPAG Practitioner's Guide that councils use a gov.uk website, which includes email provision for the clerk and councillors, to increase professionalism and assist with compliance with the General Data Protection Regulations (GDPR).

CONCLUSION

The accounting arrangements, procedural controls, records and documentary evidence are considered to be satisfactory, and accurately represent the Council's financial position.

I would like to thank the Clerk for her time and co-operation with this internal audit.

I hope that this report is of help to the Council. If you would like any further assistance or clarification, please do contact me.



Rachel Brown

Internal Auditor