



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 a spreadsheet 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	Review financial regulations.

satisfactory. It was noted that the council's financial regulations require the council to choose [x] or [y].	
Risk Management	
The council has undertaken an appropriate review of risk, however this took place in June 2024, which was not in the financial year 1 April 2023 – 31 March 2024. The council has an adequate level of insurance. The internal controls are satisfactory, with financial reports being regularly reviewed by the council.	Ensure a review of risk takes place in each financial year.
Budgetary Controls (Precept Requirement)	
The annual precept requirement resulted from an adequate budgetary process.	It is recommended that the precept is considered and minuted separately from the budget.
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.	No further recommendations.
Petty Cash Controls	
Petty cash is not operated by the Council.	No further recommendations.
Payroll Controls	
Salaries to employees were paid in accordance with Council approvals, with appropriate deductions applied.	No further recommendations.
Asset Register	
The council's material assets have been correctly recorded and the correct valuation basis has been applied.	No further recommendations.
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 much of the necessary information, however the website accessibility statement could not be found.	Publish website accessibility statement.
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 29 th June 2023.	No further recommendations.
AGAR Publication Requirements	
The Council complied with most of the publication requirements for the 2022/23 AGAR, however the notice of conclusion of audit was not available on the website at the time of the audit.	Ensure all documents are uploaded by the dates specified on page 1 of the AGAR.
Trust Funds (if applicable)	
The Council does not operate as a trustee.	No further recommendations.

TRANSPARENCY COMPLIANCE

Review of Internal Audit	
The Internal Audit had been reviewed the previous year.	No further recommendations.
Review of External Audit	
The External Audit had been reviewed and has been published on the website.	Ensure notice of conclusion of audit is also uploaded.
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.	No further recommendations.
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	
Not applicable	No further recommendations.
9) Minutes and Agenda	
Available on website	Include supporting papers with agendas

FURTHER RECOMMENDATIONS

Training

The Clerk should be encouraged to continue with her CiLCA qualification (Certificate in Local Council Administration). I was pleased to read that the clerk and councillors are encouraged to attend relevant training, and hope this will continue to increase their knowledge and understanding of the sector.

Employment

As the Clerk works from home, they are able to claim a tax-free allowance of £26 per week in recognition of the additional costs they incur, such as heating, lighting and electricity.

Additionally, I recommend that the council considers and adopts a disciplinary and grievance procedure, which would be helpful in the case of a dispute.

Investment Strategy

As the council has bank balances close to £100,000, I would like to make it aware that an appropriate investment strategy is required if the council's bank balances are expected to be in excess of £100,000 at any time during the financial year (Local Government Act 2003 (15)(1)(a)). Further information is available in the [Statutory Guidance on Local Government Investments \(3rd edition\)](#).

CONCLUSION

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

I recommend that the Council reviews its financial regulations using the new model document; reconsiders its asset register; ensures the risk assessment is reviewed at least once annually and publishes supporting papers with council agendas. Additionally, I recommend that the council considers signing the Civility and Respect pledge

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