



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. Receipts and payments 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. It was noted that the council had not	It is recommended that the council reviews and adopts the model

adopted standing orders, but this has now taken place in May 2024.	financial regulations. It is good practice for two councillors to authorise bank payments.
Risk Management	
The council has undertaken an appropriate review of risk in May 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.	The council may wish to consider earmarking reserves for future asset replacement.
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 met the exemption criteria and prepared and minuted the correct exemption certificate, in line with the statutory submission deadline.	No further recommendations.
Information Published on the Website	
The authority has a free to access website in line with the Transparency Code for Smaller Authorities.	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 17 th May 2023.	No further recommendations.
AGAR Publication Requirements	
The Council complied with the publication requirements for the 2022/23 AGAR.	No further recommendations.
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	
Not applicable.	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 2023/24 are available in the minutes.	Upload expenditure over £100 for 2022/23 and preceding years.
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	
Asset register is available on the website.	No further recommendations.
9) Minutes and Agenda	
Available on website	No further recommendations.

FURTHER RECOMMENDATIONS

Standing Orders and Financial Regulations

Standing orders help ensure the smooth running of the council, providing a clear framework for the council's internal operations and procedures and ensuring that the council complies with the statutory requirements. It was noted that the council has recently adopted standing orders but the financial regulations should be reviewed, with the council choosing [x] or [y], depending on its needs.

Employment

As an employee, the Clerk is entitled to a written statement of employment particulars, which should contain details such as working hours, pay, leave entitlements and sick pay. It is recommended that the clerk is given a contract based on the NALC / SLCC model document. The Clerk is also entitled to an annual appraisal, which may help identify future training needs and areas for potential growth in their role. The council should also consider and adopt an appropriate disciplinary and grievance policy.

Additionally, it is recommended that a dedicated council phone line is provided, so the council is not reliant on using the clerk's home phone. This would help with the professionalism of the council and ensure continuity if the clerk became unexpectedly incapacitated.

It was noted that the council has recently moved to a gov.uk website and would encourage councillors to use their new email addresses as soon as possible. Additionally, the clerk's email address needs updating on the home page of the website.

Training

The Clerk should be congratulated on achieving her CiLCA (Certificate in Local Council Administration) qualification. I was pleased to read that councillors have also taken up training opportunities and it is recommended that councillors continue to take up relevant training to increase their knowledge and understanding of the sector. As part of the Clerk's continuing professional development, the Council may also support the Clerk in attending relevant training or conferences.

Policies

The council has a limited number of policies to ensure its compliance with legislation and guide its operations. It is recommended that a greater number of policies are considered and adopted by the council, such as:

- Complaints
- Training and development
- Equality and diversity
- Lone working
- Document retention
- Freedom of Information (FOI) publication scheme

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 and adopts standing orders and financial regulations; considers earmarking reserves for future asset replacement; ensure that the clerk has a contract of employment and annual appraisal; and considers a greater number of policies. Additionally, I recommend that councillors and the clerk continue to undertake relevant training and that the council takes 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.

A handwritten signature in dark blue ink, appearing to read 'R Brown'.

Rachel Brown

Internal Auditor