

INTERNAL AUDIT REPORT 2022-23

ACTON BURNELL, FRODESLEY, PITCHFORD, RUCKLEY & LANGLEY PARISH COUNCIL

1 INTRODUCTION

As the Council's Internal Auditor for the year ended 31st March 2023 I have performed an independent examination of areas required to meet the internal control objectives as listed on page 4 of the Annual Governance and Accounts Return (AGAR) for 2022/23. I hold the CilCA qualification rendering me competent to carry out the Internal Audit. The audit has been carried out on a risk assessment basis and assesses the Council's compliance with best practices as outlined in the 'Practitioners Guide 2023' published by the Joint Panel on Accountability and Governance (JPAG) in March 2023.

The audit has been carried out using a risk assessment basis approach and examines the compliance of the Council with its relevant procedures and controls in operation through a review of the evidence of these controls and selected detailed sampling. The Annual Internal Audit Report on the AGAR was then completed.

2 OVERALL

The standard of administration and system of internal controls relating to the audit areas examined were found to be of a high standard enabling me to complete the Annual Internal Audit report positively with no recommendations for improvement. There is one minor point of note in that monies due to HMRC were not paid to the required timetable - see G below.

The Clerk/RFO has been on maternity leave for the majority of this year. There was an Interim Clerk for a few months, but she vacated the post in December 2022. For the rest of the year the responsibilities of the Clerk have been covered by the Chairman. The records were found to be in good order with all controls adhered to.

Completion of the Certificate of Exemption for 2022-23 would be appropriate given the annual gross income and annual gross expenditure values of the Council for this period.

3 DETAILED FINDINGS & RECOMMENDATIONS

The following outlines the areas covered:

A Appropriate accounting records have been properly kept throughout the financial year.

The primary accounts records examined (i.e. Excel Spreadsheets) were found to be accurate and supported the annual accounts statement.

The internal control objective has been met.

B The Council complied with its financial regulations, payments were supported by invoices/vouchers, all expenditure was approved and VAT was appropriately accounted for.

Total payments for the year were £17,774. A sample of 20 payments were examined (including Payroll) and were agreed to the bank statements, supporting invoices, payroll summaries and financial accounts.

VAT is appropriately accounted for although no VAT claim has been submitted since May 2022. This will be addressed when the Clerk returns from maternity leave in June 2023.

Council's Standing Orders were recorded in the minutes as revised and re-adopted at its July 2022 meeting and a copy was provided for the audit. The Financial Regulations were last reviewed and adopted at the January 2022 meeting and are due for review in May 2023.

The internal control objective has been met.

C The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Council considered and re-adopted its comprehensive Annual Risk Assessment at its May 2022 meeting. The next review is due in May 2023.

Various policies have been updated and added to the website under the current Clerk. All policies recorded on the website show appropriate review dates. The soon to return Clerk has now been awarded the CilCA qualification and the standard of policy and procedure setting reflects this learning.

Appropriate insurance cover is in place.

The internal control objective has been met.

D The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored by the council; and reserves were appropriate

Robust actual against budget monitoring has continued throughout this year despite the absence of the permanent Clerk. There is evidence in the minutes of this being regularly reported and actively considered at Council meetings throughout the year. Budget monitoring reports are posted on the website alongside the minute meetings, aiding transparency to the general public.

1. Precept/Budget 2023/24

The Council resolved to set a precept of £6,500 at its January 2023 meeting, minuted at point 10 in the minutes from that meeting. This followed consideration of spending in 2022/23, planned expenditure for the next twelve months and the need to maintain adequate but not excessive reserves. This level of precept keeps the projected 2024 year end general reserve within the accepted level of 12 months net revenue expenditure.

2. Reserves - The 2023 year-end balance of £81,904 is made up of 'ring-fenced'/restricted funding (Lightsource and CIL) totalling £74,692 and £7,212 of general reserves.

The internal control objective has been met.

E Expected income was fully received, based on correct prices, properly recorded and banked.

Total receipts for the year were £22,823 mainly comprising the annual Precept of £5,705 and 'Lightsource' income of £13,360 from the array of solar panels. These were properly recorded in the accounts and supported by remittance advices.

The internal control objective has been met.

F Petty Cash Float - No petty cash float is held by the Clerk.

G Salaries to employees and allowances to members were paid in accordance with the Council's approvals and PAYE & NI requirements were properly applied.

The Clerk's/Interim Clerk's net salary payments and HMRC deductions as detailed in the accounts have been reconciled to the P60s. Council minutes support salary payments. It is noted that several payments of tax and NI were not made within the HMRC deadlines. One payment of £194 was also duplicated and needs to be recovered from HMRC. This is only a minor failing, but as the monies are due to a public body under strict timescales it has to be noted on the IA report- 'PAYE and NI requirements were *not* properly applied' in all cases.

The Chairman received an allowance of £150 during the year which was properly approved and minuted.

The internal control objective has not been met.

H Asset and investments registers were complete and accurate and properly maintained

The Council's fixed asset register/inventory as at 10/5/22 was examined and found to clearly detail assets at their written down value total of £563.

The internal control objective has been met.

I Periodic and Year-End Bank Reconciliations were properly carried out.

A year end bank reconciliation was submitted and re-performed and agreed by the Auditor. The Clerk has regularly presented reconciled bank balances to Council which have been independently agreed by a member of the Council, who has evidenced the checks.

The internal control objective has been met.

J Annual Governance & Accountability Return (AGAR) 2022/23; Statement of Accounts (page 6)

The draft AGAR and Statement of Accounts has been correctly compiled on a receipts and payments basis and is supported by accounting records.

The internal control objective has been met.

K The Council appropriately certified itself as exempt from a limited assurance review in 2021/22

The internal control objective has been met.

L The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities

The Council has a website on which it publishes the basics required by the Transparency code along with a number of other non-mandatory reports. The website was found to be overall up to date, well catalogued and informative.

The internal control objective has been met.

M During the previous year (2021-22) Council correctly provided the proper opportunity for the exercise of public rights in accordance with Accounts and Audit Regulations.

The notice of the period for the exercise of public rights was fully completed and advertised on the Council's website during the summer of 2022.

The internal control objective has been met.

N The authority has complied with the publication requirements for 2021/22 AGAR

The Council published the required information on its website at the appropriate times fully complying with the Accounts and Audit Regulations.

The internal control objective has been met.

O Trust Funds - The Council is not responsible for a trust fund.

Council Meetings & Website - A sample review of Council meeting minutes confirmed that the necessary number of councillors were in attendance achieving the required quorum. Council minutes were appropriately signed as accurate.

Should the Council or Clerk/RFO have any queries with this report please do not hesitate to contact me. I would like to thank Paul for presenting well organised, cross-referenced and accurate records enabling the audit to be completed in a timely manner.

Best regards,

Kathy Symonds, CiLCA

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28th April 2023