

INTERNAL AUDIT REPORT 2023-24

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

1 INTRODUCTION

As the Council's Internal Auditor for the year ended 31st March 2024 I have performed an independent examination of areas required to meet the internal control objectives as listed on page 3 of the Annual Governance and Accounts Return (AGAR) for 2023/24. I hold the CilCA qualification rendering me competent to carry out the Internal Audit. The audit assesses the Council's compliance with best practices as outlined in the 'Practitioners Guide 2024' published by the Joint Panel on Accountability and Governance (JPAG) in March 2024.

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 for 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 very high standard enabling me to complete the Annual Internal Audit report positively with no recommendations for improvement.

The Council's CilCA qualified Clerk/RFO returned from maternity leave in June 2023. At the start of the year the responsibilities of the Clerk were covered by the Chairman. The records were found to be in good order with all controls adhered to.

The annual gross income exceeded the £25,000 threshold during the year, so an external auditor limited assurance review is required. In recent years the Council has been beneath the thresholds and so has certified itself exempt from an external auditor review.

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 £7,469. A sample of 15 payments was examined (including Payroll) and these were agreed to the bank statements, supporting invoices, payroll summaries and financial accounts.

VAT is appropriately accounted for. The last VAT claim was for the period 01/03/22 to 31/03/23. The VAT outstanding awaiting claiming is £82.

Council's Standing Orders and Financial Regulations were recorded in the minutes as revised and re-adopted at its July 2023 meeting. Copies were available for the audit and found to be up to date, appropriate and comprehensive.

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 last formally considered and re-adopted its detailed Annual Risk Assessment at its May 2022 meeting. I am assured that it was informally reviewed during the 23/24 year but not minuted. The next formal review is scheduled for May 2024.

Various policies have been updated and new ones added to the website under the current Clerk. All policies recorded on the website show appropriate review dates.

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. There is evidence in the minutes of this being regularly reported and actively considered at Council meetings. Budget monitoring reports are posted on the website alongside the minute meetings, aiding transparency to the general public.

1. Precept/Budget 2024/25

The Council resolved to set a precept of £6,598 at its January 2024 meeting, minuted at point 24.1.13 in the minutes from that meeting. This followed consideration of spending in 2023/24, planned expenditure for the next twelve months and the need to maintain adequate but not excessive reserves. This level of precept keeps the projected 2025 year end general reserve within the accepted level of 12 months net revenue expenditure.

2. Reserves - The 2024 year-end balance of £100,157 is made up of 'ring-fenced'/restricted funding (Lightsource and CIL) totalling £92,703 and £7,454 of general reserves.

The internal control objective has been met.

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

Receipts for the year totalled £25,722 mainly comprising the annual Precept of £6,500 and 'Lightsource' income of £15,208 from the array of solar panels. £1,989 relates to interest income on ring fenced/restricted funds. The receipts were properly recorded in the accounts and supported by bank statements and 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 net salary payments and HMRC deductions as detailed in the accounts have been reconciled to her P60. Council minutes support salary payments.

The Chairman received an allowance of £300 during the year which was properly approved and minuted.

The internal control objective has been met.

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

The Council's fixed asset register/inventory as at 31/03/24 was examined and found to clearly detail assets at their acquisition value total of £9,088. The prior year asset value for AGAR was restated at £9,088. In prior years Council had incorrectly amortised assets and stated their value for AGAR at the written down value. Council adopted the "Fixed asset policy-2024" on 16/1/24. The new policy is found to follow best practice for the recording of Parish Council assets. The policy is available on the Council website.

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) 2023/24; Statement of Accounts (page 5)

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

The internal control objective has been met.

K The Council appropriately certified itself as exempt from a limited assurance review in 2022/23

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 (2022-23) 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 2023.

The internal control objective has been met.

N The authority has complied with the publication requirements for 2022/23 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 and published on the Council's website in a timely manner.

Should the Council or Clerk/RFO have any queries with this report please do not hesitate to contact me. Once again, I would like to thank Anna for presenting well organised, cross-referenced and accurate records enabling a clean and straightforward audit.

Best regards,

Kathy Symonds, CiLCA

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22nd April 2024