

## Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	EDITH WESTON PARISH COUNCIL		
Name of Internal Auditor:	DEBORAH ROLFE	Date of report:	09/05/2024
Year ending:	31 March 2024	Date audit carried out:	April/May

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.*

*The proper practices referred to in Accounts and Audit Regulations are set out in JPAG Practitioners Guide. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed.*

***The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.***

### To the Chairman of the Council:

Firstly, I would like to take the opportunity to thank the clerk Sara Glover for her help and assistance during the audit process.

The report was compiled during April and May and included inspection of the council website and documents requested from the clerk to the council.

I have examined council business, including policies, agendas and minutes, accounting and financial statements and other relevant documents necessary to complete this audit.

### Conclusion and Recommendations

**ACCOUNTING RECORDS AND PERIODIC BANK RECONCILIATION** – The Councils Financial Regulations section 5 and 6 detail a process for the payment of invoices, however the banking requirements in place are deemed inadequate. When the LGA '72 requirement to pay by cheque, signed by at least two members was removed, it was with the proviso that if councils did not want to continue with that process, they put in place a standard of protection that was at least equal or better. It is advised that the council look at banks that are able to accommodate those requirements. Unity Bank is highly recommended, as they provide the necessary security measures required to meet the standard.

It was also note when inspecting a selection of receipts, a payment had been made using Chairmans Expenses for the purpose of a Christmas meal for the councillors. Under Section 15(5) of the LGA '72 says "A parish council may pay the chairman **for the purpose of enabling him to meet the expense of his office** such allowance as the council thinks reasonable." A christmas meal is not deemed a reasonable cost therefore the council should look to address this and repay the money back to the parish.

**Have comments from the internal audit 2022-2023 been addressed?**

Recommendation 2022-2023	Comment
Asset Register were not complete and accurate	This how now been updated

**Areas in the 2023-2024 AGAR Annual Internal Audit Report for which Yes or N/A cannot be ticked**

	Reason
A	
B	<b>The council does not comply with LGA 72 with regards to banking procedures The council did not comply with the regulations in regards to Chairmans Expenses</b>
C	
D	
E	
F	
G	
H	
I	
J	
K	
L	
M	
N	
O	

Yours sincerely,

The image shows a handwritten signature in black ink over a circular stamp. The stamp contains the text 'LRALC' in a large font and 'Internal Audit Service' in a smaller font around the perimeter.

Mrs D Rolfe  
 Internal Auditor to the Council  
 07786620433  
[AUDITLRALC2024@outlook.com](mailto:AUDITLRALC2024@outlook.com)

The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2023</b>	<b>Year ending 31 March 2024</b>
1. Balances brought forward	61005	66918
2. Annual precept	21606	22038
3. Total other receipts	2871	5037
4. Staff costs	3249	3935
5. Loan interest/capital repayments	0	0
6. Total other payments	15316	26938
7. Balances carried forward	66918	63121
8. Total cash and investments	66918	63121
9. Total fixed assets and long-term assets	0	20088
10. Total borrowings	0	0

# Annual Internal Audit Report 2023/24

EDITH WESTON PARISH COUNCIL

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During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")	✓		
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

29/04/2024 20/05/2024

Name of person who carried out the internal audit

Deborah Rolfe

Signature of person who carried out the internal audit

Date

21/05/2024

**\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed)**

**\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).**