

Buckland & Chipping Internal Audit Report

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

Name of council:	Buckland & Chipping Parish Council		
Name of Internal Auditor:	Peter Evans	Date of report:	6 May 2024
Year ending:	31 March 2024	Date audit carried out:	Initial visit 2/5/24

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 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:

I met Caroline Scott to discuss the council business and to carry out the internal audit on 2 May 2024. I note that Caroline has only recently taken on the role. This is noticeable from the fact that the papers on the website have increased.

I note that Caroline is taking advantage of some of the training available from HAPTC and

I have completed the 2023/24 Annual Internal Audit Report and have completed as yes boxes A, B, D, E, G, I,J,K,L & N.

I have stated as 'not covered' box F as the council do not operate a petty cash account and 'O' as the council does not have any charities.

I have completed as no in boxes.

- 'C' as the risk was not assessed in the financial year 2023/24,
- 'H' as it appears that the asset register was not reviewed in the year, I understand that this has been recently carried out, and
- 'M' the council need to agree the dates of the public rights
- 'N' as not all the previous AGAR information is on the website.

My comments are below.

A. Appropriate accounting records have been kept throughout the Year.	YES/NO
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I note that the council accounts use the Scribe accounting package.

B. The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	YES/NO
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I checked entries made in September, March and June and these seemed to be in order. I have suggested to the Clerk that there is evidence that these have been checked by the Clerk or signed off by councillors. Best practice is that either the invoice is stamped and initialled by both the Clerk and two councillors or a list of payments is produced for the meeting and signed at the bottom to say they have been checked.

C. The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	YES/NO
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The last time that the risks associated with the council was last reviewed in January 2024.

D. The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves are appropriate.	YES/NO
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The budget was reviewed in January 2024, an appendix was circulated prior to the meeting. However, the minutes did not record the actual amount of the budget. The audit regulations state that the council, once it had decided the budget, to consider whether reserves could be used to reduce the precept demand. The council did consider this and agreed to reduce the precept demand, but this is not minuted.

Action: Buckland & Chipping Council are to ensure that the budget/reserves and precept discussion is minuted.

E. Expected income was fully received based on correct prices, properly recorded, and promptly banked; and VAT appropriately accounted for.	YES/NO (Precept income)
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F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.	YES/NO/NA
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G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.	YES/NO/NA
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The NALC 2023 pay award was finally agreed in November 2023. However, the increase has not been minuted under part 2.

Action: Council to minute that they acknowledge the 2023 NALC pay award.

H. Asset and investment registers were complete and accurate and properly maintained.	YES/NO
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It is noted that the council did not check the asset register during the financial year 2023/24.

Action: The Council to review the asset register annually and consider whether it has sufficient funds to replace equipment it holds.

I. Periodic bank reconciliations were carried out throughout the year.	YES/NO
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The bank reconciliations are on each agenda for the council. In discussions with the Clerk, I suggest that the reconciliations are printed off of Scribe and signed by the Clerk and Chairman/Councillor responsible for accounts to evidence the check.

What is not apparent from the minutes and agendas it does not appear that the council consider the budget against the expenditure/income year to date.

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	YES/NO
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K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	YES/NO /NA
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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	YES/NO.
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It is noted that since Caroline was appointed the papers available on the Council website has increased.

Please note that the meeting is not called an 'Ordinary' meeting it is just a council meeting.

Action: Council to drop the wording of the agenda to remove the word 'ordinary'.

M. The authority has, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit regulations.	YES/NO
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The public rights were considered at the meeting of the council in May 2023. It is best practice to set the dates at that meeting and include them in the minutes.

Action: Council to include the dates of public rights within the minutes when this is considered for 2023/24.

N. The authority complied with the publication requirements for the prior year AGAR.	YES/NO
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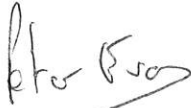
The Council correctly considered the Section 1 of the AGAR then 2, then internal auditors report and public rights correctly in 2022/23. These are also correctly recorded on the website. However, the audit regulations state that the last five years AGAR documentation should be available on the website. There are no reports for 208/19 or 2019/20. 2020/21 is correct, and 2021/22 AGAR is present but not the notice of public rights.

Action: Council to ensure all AGAR information is available for tears 2018/19 to 2022/23.

O. Trust funds (including charitable) - the Council has met its responsibilities as a trustee.

YES/NO/NA

Yours sincerely,



Peter Evans

Internal Auditor to the Council

e-mail pe140814@gmail.com

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

	Year ending 31 March 2023	Year ending 31 March 2024
1. Balances brought forward	18,825	18,593
2. Annual precept	9,000	9,500
3. Total other receipts	3,782	1,739
4. Staff costs	2,714	301
5. Loan interest/capital repayments	0	0
6. Total other payments	10,300	10,935
7. Balances carried forward	18,593	15,887
8. Total cash and investments	18,593	15,887
9. Total fixed assets and long-term assets	29,126	29,167
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2022)*. 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. A copy of the guide is available for free download from:

Annual Internal Audit Report 2023/24

Buckland and Chipping Parish Council

www.bucklandandchippingpc.org.uk

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).		✓	
O. (For local councils only)	Yes	No	Not applicable
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).

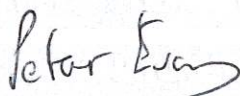
Date(s) internal audit undertaken

02/05/2024

Name of person who carried out the internal audit

Peter Evans

Signature of person who carried out the internal audit



Date

06/05/2024

*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).