

RACHEL BROWN



Parish Council Audit

**Rachel Brown, Internal Auditor**

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Annette Loveland

Berinsfield Parish Council

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19<sup>th</sup> May 2024

Dear Annette

**Internal Audit 2023/24**

Following our recent meeting, I am pleased to enclose the annual internal audit report 2023/24 for Berinsfield Parish Council.

Please share this report with the council and ensure that the recommendations are reviewed at the next available opportunity, to support and inform members considering the council's response to the Annual Governance Statement.

The council should minute the review and actions planned from the matters raised in the internal audit report.

Thank you very much for your time and support while completing this internal audit. I hope the report is helpful to the council and enclose an invoice for the work completed, as agreed in the letter of engagement.

Please let me know if you have any queries.

Yours sincerely

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

Rachel Brown



## 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
<b>Accounting Records</b>	
Expenditure and income have been accurately recorded and well maintained throughout the year. The sample of financial transactions checked was satisfactory. As the council has bank balances in excess of £100,000, it needs to adopt an appropriate investment strategy.	Adopt an appropriate investment strategy in accordance with DLUHC guidance <sup>1</sup> .

<sup>1</sup> [Guidance on local government investments.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/guidance-on-local-government-investments.pdf)



<b>Financial Regulations and Expenditure</b>	
The Council has complied with its Financial Regulations, and the banking arrangements are satisfactory.	No further recommendations.
<b>Risk Management</b>	
The council has undertaken an appropriate review of risk in April 2023 and has an adequate level of insurance. The internal controls are satisfactory, with financial reports being regularly reviewed by the council.	Regular internal financial checks to be completed by a councillor who is not a bank signatory and the findings reported to the council.
<b>Budgetary Controls (Precept Requirement)</b>	
The annual precept requirement resulted from an adequate budgetary process.	No further recommendations
<b>Budgetary Controls (Budget monitoring)</b>	
Progress against the budget was monitored. The level of reserves needs further explanation.	Produce a reserves policy giving details of earmarked reserves.
<b>Income Controls</b>	
Expected income was fully received and properly recorded.	No further recommendations.
<b>Petty Cash Controls</b>	
Petty cash is not operated by the Council.	No further recommendations.
<b>Payroll Controls</b>	
Salaries to employees were paid in accordance with Council approvals, with appropriate deductions applied.	No further recommendations.
<b>Asset Register</b>	
The council's assets have been correctly recorded and the asset register allows tracking of additions and disposals from one year to the next. The correct valuation basis has been applied.	No further recommendations.
<b>Bank Reconciliations</b>	
Periodic and year-end reconciliations were carried out.	Bank reconciliations should be regularly verified and signed (JPAG Practitioner's Guide 5.18).
<b>Accounting Statements</b>	

The Accounting Statements prepared during the year were prepared on the correct accounting basis and were supported by an adequate audit trail, however if using the receipts and payments method of accounting, boxes 7 and 8 of the accounting statements should be the same.	Ensure consistency with the accounting method used.
<b>Limited Assurance Review Exemption</b>	
The authority does not meet the exemption criteria.	No further recommendations.
<b>Information Published on the Website</b>	
The authority has a free to access website with much of the necessary information, however some of the links to the supporting financial information did not work.	Ensure uploaded documents are available. Upload end of year bank reconciliation.
<b>Period for the Exercise of Public Rights</b>	
The Council correctly provided for the exercise of public rights in 2022/23, as evidenced by a notice on the website.	Include dates for the period for the exercise of public rights in minutes.
<b>AGAR Publication Requirements</b>	
The Council complied with the publication requirements for the 2022/23 AGAR although there was an amendment after 1 <sup>st</sup> July 2023.	No further recommendations.
<b>Trust Funds (if applicable)</b>	
The Council does not operate as a trustee.	No further recommendations.

## TRANSPARENCY COMPLIANCE

<b>Review of Internal Audit</b>	
The Internal Audit had been reviewed the previous year and the council has made steps to address the issues raised.	Continue to address recommendations in previous internal audits.
<b>Review of External Audit</b>	
The External Audit had been reviewed and the conclusion of audit report for 2022/23 had been published on the website.	No further recommendations.
<b>Accounting Statements agreed and reconciled to the Annual Return</b>	
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.

<b>1) Expenditure over £100 is recorded on the Council website and with all information requirements</b>	
Details of expenditure for 2022/23 are available in the minutes, although not all the links are working.	Expenditure over £100 should be uploaded annually as a separate document.
<b>2) Annual Return published on the website</b>	
Available on the website.	No further recommendations.
<b>3) Explanation of Significant Variances</b>	
Available on the website for 2022/23.	No further recommendations.
<b>4) Explanation of difference between Box 7 &amp; 8. if applicable</b>	
Not available on website.	Upload explanation of differences between boxes 7 & 8.
<b>5) Annual Governance Statement recorded</b>	
Available on website for 2022/23	No further recommendations.
<b>6) Internal Audit Report Published</b>	
Available on website for 2022/23.	No further recommendations.
<b>7) List of Councillors' Responsibilities</b>	
Available on website	Ensure Registers of Interest are available for all councillors.
<b>8) Details of Public Land and Building Assets</b>	
Land ownership details are on the website.	No further recommendations.
<b>9) Minutes and Agenda</b>	
Available on website	No further recommendations.

## **FURTHER RECOMMENDATIONS**

### **Training**

The councillors should be encouraged to take up the training offered by the local County Association 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 SLCC conferences and other SLCC or county association training.

## **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 adopts an appropriate investment strategy; produces a reserves policy; undertakes regular internal financial control checks and aims to publish the information in the Transparency Code for Smaller Authorities. Additionally, I recommend that councillors undertake training offered by the County Association.

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.



Rachel Brown  
Internal Auditor