

REPORT BY INTERNAL AUDITOR
ANNUAL AUDIT 2023/24 AND OTHER MANAGEMENT MATTERS
EDLINGHAM PARISH COUNCIL

BACKGROUND TO REPORT

Under the provisions of:-

- a) the Accounts and Audit Regulations 2015 and in accordance with
- b) the guidelines contained within the J.P.A.G. Document "The Governance and Accountability for Smaller Authorities in England - A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements

Councils, such as Edlingham Parish Council, should arrange for an independent and suitably qualified person to carry out an internal audit who, on the basis of an assessment of risk, should carry out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31st March.

The internal auditor is provided with a detailed checklist ("objectives of internal control") in the Annual Governance and Accountability Return (AGAR) 2015 to which he/she is asked to state if they Agree (YES), Disagree (NO) or state N/A or Not Covered to each entry marked A-O on the checklist included in the return.

Such responses signify conclusions on whether, in all significant respects, each objective was being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

Under the relevant sections of the Audit Commission Acts auditors are required to report any matters which should be given formal consideration by the body or brought to the attention of the public.

However there are slightly different rules for smaller Councils, where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, can claim exemption from a limited assurance review. In which case no external audit will be required but nevertheless a report from an independent Internal Auditor should still be commissioned to complete the relevant AGAR Form.

I have been advised the Council made such a decision to Claim Exemption will be considered at its Meeting held on 14th May 2024.

CARRYING OUT THE AUDIT

I discussed the audit with the Clerk by email and SKYPE at various times during the period 19th February and 27th April 2024.

I was advised that the Exemption Certificate is due to be submitted by 30/6/2024.

As the discussions took place over the internet I could not examine all relevant documents at first hand so my findings are based on a series of random selections.

BUDGET 2023/24

The out-turn figures for both receipts and payments were both within reasonable parameters of the original budget adopted by the Council at its Meeting held on 21st November 2022.

Receipts

Other than the Precept, the main source of other receipts was VAT which amounted to £17.17.

VAT

I noted that there was one transaction which attracted vat. The amount of £17.17 was subsequently recovered from HMRC.

I have asked the Clerk to include in her reports to the Council the vat paid on any invoices submitted.

I checked the invoice and vat charged and found them to be in order.

PAYMENTS

Invoices

From the random selection made all invoices received appear to have been referred to the Council for approval and were in keeping with a previous authority to incur such expenditure.

Donations

In accordance with a previous Council policy no grants were made during the financial year.

END OF YEAR BALANCES

The balances to be carried forward from 2023/24 to 2024/25 are £975.26 compared with £1241.69 for the year ending 2023/24.

The balances equate to more than 12 months current running costs for the Council.

External audit guidelines for balances are usually under 12 months running costs unless major works etc are proposed or there is an element of ring fencing, or carrying over, involved.

WORKS UNDERTAKEN DURING 2023/24

None noted.

LONG TERM PLANS

I understand that currently there are no long term plans for any major projects in the Parish.

GENERAL MANAGEMENT MATTERS

PAYE

I understand that the Clerk's salary is subject to PAYE and administered via the HMRC Basic Pay Tools database.

EXPENDITURE GREATER THAN £100

These can be found in the Council's minutes.

INSURANCE

Policy

I was advised that the Council's existing policy is covered under the County Council's insurance policy.

The Fidelity Guarantee Cover

I understand that the Fidelity Guarantee Cover is £50,000 which is more than adequate for the Council's purposes.

Claims

I understand that there were no insurance claims made by or against the Council in 2023/24

CLERK'S SALARY AND TERMS AND CONDITIONS

I understand that the Clerk's salary has been adjusted in accordance with the NALC pay settlement for Local Authority Employees @ £1 an hour with effect from April 2023.

TENDERS/QUOTATIONS

I understand that no tenders or quotations had been sought during 2023/24.

BANKING ARRANGEMENTS

I understand that the Council banks with Lloyds and that no charges were incurred in 2023/24.

PETTY CASH

I was advised that no Petty Cash is held.

OTHER MATTERS**MINUTES**

I carried a random check on the minutes of a Meeting being signed and dated by the Chairman and found this to be in order with a minor matters in the minutes which I have drawn to the Clerk's attention namely.

POLICY STATEMENTS***Asset Register***

Resolved as sufficient at a Meeting held on 12th February 2024 with no changes made.

Minute No 2024/11 refers.

Risk Assessment (including Financial Risk Assessment)

Resolved as an accurate record at a Meeting held on 12th February 2024 with no changes made.

Minute No 2024/12 refers.

Review of the Effectiveness of Internal Audit

Resolved that the current system was in order at the Council Meeting held on 12th February 2024 – minute no 2024/10 refers.

Code of Conduct

The Council has adopted the NALC Code of Conduct 2011

A NOTE ON THE 2023/24 BUDGET /PRECEPT PROCESS***Budget/Precept for 2024/25***

The Clerk presented a report to the Council Meeting held on 2nd November 2023.

Minute Nos 2023/52/03 and /04

MATTERS REQUIRING ATTENTION

a) To show the split between the net amount paid and vat when reporting any payments to the Council.

THE RESPONSE TO THE AUDIT FOR 2023/24

Following a detailed discussion with the Clerk, and having reviewed a range of documents and other records, I came to the conclusion that I could respond **YES or NOT COVERED** where appropriate to each of the objectives identified by the external Auditor.

As requested on the Annual Internal Audit Report 2023/24 I would comment on the NOT COVERED boxes as follows:-

Box K

I have ticked YES against objective K as the Council certified itself as exempt from a limited assurance review for the 2022/23 audit as its turnover is below £25,000..

As to Box L

I have ticked the YES box against objective L as to whether the council does, or does not, certify itself as exempt from a limited assurance. It does however still comply with all the requirements of the code and I have been advised that all the relevant information is available on the council's website.

i have carried out a random check on the Council's website and found that the information was available.

QUALIFICATIONS ON THE AUDIT

My report is based on a limited review of the Council's accounts and is not a full audit and should not be taken as approving the Council's accounts 2023/24.

The purpose of this report is to be satisfied that the Council has adequate systems in place to meet the numerous control objectives sought by the External Auditor and to recommend possible improvements to the Council's existing systems.

M. G. Ackroyd
Internal Auditor

27th April 2024