



7 Hodder Close, Chandlers Ford, Hants, SO53 4QD.
Tel: 07762 780605 Email: Tim.Light1@hotmail.co.uk

30 January 2023

The Parish Clerk

Ashurst and Colbury Parish Council

C/o 27 Wilburn Close

Calmore

Totton

SO40 2SG

Dear Karen

Interim Internal Audit Report

Ashurst and Colbury Parish Council – April 2022 to December 2022

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2022-23 Annual Governance and Accountability Return.

We have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2022
- The Accounts and Audit (England) Regulations 2015 (as amended).

Background

The Council is not a sole managing trustee.

The Council's accounting records are maintained on Scribe software.

The Parish Clerk provided back-up information electronically in advance of the review and allowed view access to the Scribe software to be able to check financial transactions posted to the cashbook and check details entered on the VAT reimbursement claims. The review covered the period April 2022 to December 2022 which supports the current governance and financial management position of the Council.

Since the previous internal audit review the Parish Council have transferred their financial management system on the Scribe software. This has provided an enhancement to the aid bank reconciliations and provide financial management information to the Clerk and to the Parish Council.

Internal audit checks

During this review we checked the following:

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- Payroll
- Transparency of the Council website

Findings

Details of good practice noted, our recommendations and other matters to be brought to the Council's attention are set out below.

Good practice

- The Council maintains its books and records on Scribe
- Details of total payments authorised at meetings
- All records were up to date and easy to follow
- VAT reimbursement claims are submitted to HMRC on a regular basis
- The budgeting process is detailed and monitored throughout the year
- Bank reconciliations are carried out promptly each month and were accurate
- The Insurance is appropriate for the size of the Council
- Salary payments to the Clerk are correctly calculated.
- The Council comply with the Transparency Code Regulation 2015.

Recommendation

- No formal recommendations have been made from this interim internal audit review.

Other matters to be brought to the Council's attention

- The Council have provided evidence of the posting date for the Exercise of Public Rights in 2021 and will be able to tick "Yes" to Assertion 4 on Section 1 (Governance Statement) of the AGAR 2022/2023 to comply with the requirements of the Accounts and Audit Regulations 2015. We will also be able to tick "Yes" to Control Objective M on the Annual Internal Audit Report 2022/2023.
- We note that the risk assessment for 2022/2023 was an agenda item on for the full Council meeting on Tuesday 24 January 2023. Once reviewed, approved and Minuted by the Council we will be satisfied that the Council can tick "Yes" to Assertion 5 on Section 1 (Governance Statement) of the AGAR 2022/2023 to comply with the requirements for the External Auditor. We will then tick "Yes" to Control Objective C on the Annual Internal Audit Report 2022/2023. The 2022/2023 Risk Assessment should then be uploaded on to the Council website for information.
- We also note that the Asset Register for 2022/2023 was also an agenda item for the full Council meeting on Tuesday 24 January 2023. Once this has been reviewed, approved and Minuted by the full Council it can tick "Yes" to Assertion 6 on the Annual Governance Statement on the AGAR 2022/2023. We will be able to tick "Yes" to Control Objective H on the Annual Internal Audit Report 2022/2023.

Conclusion

Based on the tests we have carried out at this interim internal audit review, in our view, the internal control procedures in operation are adequate to meet the needs of Ashurst and Colbury Parish Council expect where we have made recommendations in this report.

Next review

The next internal audit review has been arranged for **Thursday 04 May 2023**.

At this review detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Risk Assessment
- Budget 2023/2024
- Asset Register
- End of Year Procedures

Next Steps

This report should be noted and taken to the next meeting of the Parish Council.

Tim Light FMAAT
Internal auditor