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15 March 2024

The Parish Clerk

Ashurst and Colbury Parish Council

3 Kimberley Close,
Pretoria Road,
Hedge End
SO30 0BH

Dear Karen

Interim Internal Audit Report

Ashurst and Colbury Parish Council – April 2023 to February 2024

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 2023-24 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)' 2023
- The Accounts and Audit (England) Regulations 2015 (as amended).

Background
Ashurst and Colbury Parish Council had income and expenditure of between £50,000 and £100,00 in 2022/2023 and is subject to a Limited Assurance review by the External Auditor, BDO. The Council had a clean audit from the External Auditor 2022/2023.

The Council is not a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code Regulation 2015.

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

The first interim internal audit review was agreed with the Parish Clerk to be carried out on Wednesday 13 March 2024.

Due to a personal health issue with the Parish Clerk at the end of 2023 there has been a delay in carrying out this interim review for 2023/2024.

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 2023 to February 2024 which supports the current governance and financial management position of the Council.

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council's website.

Internal audit checks
We have undertaken a series of audit tests on the Council's financial records, vouchers, documents, Minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at the review.

During this review we checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Income and expenditure
- VAT claims
- Insurance
- Budgets and Reserves
- 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 2023/2024 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 2023/2024.
- We note that the risk assessment for 2023/2024 will need to be approved at a full Council meeting before the 31 March 2024. 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 2023/2024 to comply with the requirements for the External Auditor. We will then tick "Yes" to Control Objective C on the Annual Internal Audit Report 2023/2024. The 2023/2024 Risk Assessment should then be uploaded on to the Council website for information. ***(Audit Note; The Parish Clerk has confirmed that the risk assessment will be approved at the full Parish Council meeting in March 2024).***
- We also note that the Asset Register for 2023/2024 was approved at the full Parish Council meeting on 20 February 2024. The full Council it can tick "Yes" to Assertion 6 on the Annual Governance Statement on the AGAR 2023/2024. We will tick "Yes" to Control Objective H on the Annual Internal Audit Report 2023/2024.

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.

Next review

The next internal audit review has been arranged for **Thursday 02 May 2024**.

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 2024/2025
- 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

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