

# Annual Internal Audit Report 2023/24

Little Witley Parish Council

<https://www.littlewitley.org.uk/> PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

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).	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Name of person who carried out the internal audit

05/04/2024

09/04/2024

DD/MM/YYYY

Diane Malley

Signature of person who carried out the internal audit

Diane Malley

Date

09/04/2024

\*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).





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9<sup>th</sup> April 2024

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## **Internal Audit for Little Witley Parish Council**

I have now completed the internal audit for Little Witley Parish Council. I have carried out tests on the systems in place and have reviewed the internal controls. I confirm I have acted independently; the basis of the internal audit is by selective assessment of compliance with relevant procedures and controls. Please present this report to the parish council.

### **A. Appropriate books of account**

Appropriate books of account have been kept during the year. The council has used a spreadsheet to record the books of account which is adequate for the number of transactions. The accounts are kept up to date and there is evidence in the minutes they are balanced regularly.

### **B. Financial Regulations**

There is an audit trail of payment samples picked, payments were supported by receipts or invoices and payment schedules were reported to meetings. VAT was appropriately accounted for. The VAT reclaim has not yet been made because HMRC require the claim to be a minimum of £100. A VAT claim can be made for up to 3 years before it is lost.

The general reserves are high, according to the Practitioner's Guide the general reserves should be maintained at between 3 – 12 months of the net revenue expenditure, which for Little Witley Parish Council, is your precept figure. This guide relates to reserves that are not earmarked for specific purposes, therefore the parish council may wish to consider the level of reserves with a view of setting some aside for specific purposes, e.g. replacement of assets or village projects.

### **C. Risk Assessments**

The council carried out a risk assessment during the year which was reviewed at council and minuted.

The council's insurance cover includes public liability, employer's liability and fidelity guarantee.



Registered company number 10880898



#### **D. Precept**

The precept was set after the council considered its budget requirements for the year. There is evidence of budget monitoring reports being presented to council on a regular basis.

#### **E. Income**

There were no unusual receipts or cash receipts during the year.

#### **F. Petty Cash**

Petty cash was not used during the year.

#### **G. PAYE**

The PAYE is administered using HMRC's Basic Tools, there is evidence on file of the RTI submitted to HMRC. The clerk has been paid at the approved rates.

Other expenses payments to the clerk are reasonable and are receipted where appropriate.

#### **H. Asset Register**

The parish council maintains an asset register which has been reviewed during the year.

#### **I. Bank reconciliations**

The bank accounts are reconciled to the cash book regularly and this is evidenced in the minutes. I have recalculated the year end bank reconciliation and agree the figures to the cash book and bank statement printout.

#### **J. Accounting Statements**

The parish council prepares the accounting statements on a receipts and payment basis and agree to the cashbook.

#### **K. Exemption**

The council met the exemption criteria for the 2022/23 review and correctly declared itself exempt from a limited assurance review.

#### **L. Transparency Code**

The council has published information on the website in accordance with the Transparency code for smaller authorities.

#### **M. Public Rights**

The council had correctly published on the website a notice providing for the period for the exercise of public rights as required by the Accounts and Audit Regulations for the 2022/23 period.

#### **N. Publication Requirements**

The council has published documents on the parish council website, the accounting statement for 2022/23 is the incorrect version.

*Diane Malley*

Diane Malley MAAT