

ULLEY PARISH COUNCIL

Internal Audit Report 2022/2023

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Background and Scope

All Town and Parish Councils are required by statute to make arrangements for an independent internal audit and for the conclusions to be reported each year in the Annual Governance and Accountability return (AGAR). The Parish Council has requested that Voluntary Action Rotherham provides this service, based on a letter of engagement agreed and signed by Council. The audit is not designed to identify all significant weaknesses in the association's systems but, if such weaknesses come to our notice during the course of our examination, which we think should be brought to your attention; we shall report them to you.

The responsibility for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the Council. The audit should not be relied upon to disclose all material misstatements or frauds, errors or instances of non-compliance as might exist.

In accordance with guidelines set out by the Governance and Accountability for Local Councils – practitioners' guide, our work plan consisted of an investigation to review whether the systems of financial and other controls over the Council's activities and operating procedures are effective. Areas covered by the testing included;

- Bookkeeping
- Due Process
- Risk management arrangements
- Budgetary controls
- Payroll control
- Petty cash
- Asset control
- Bank reconciliation
- Year-end procedures
- Miscellaneous

Findings

The internal audit was carried out off site, all records and evidence were provided by the Clerk either electronically or in paper format. Any audit recommendations have been agreed with the Clerk/RFO and I am pleased to note that the points raised at the last audit have been addressed.

The following recommendations/points are identified for the Council's attention:

Bookkeeping

The cashbook was maintained and up to date and VAT was reclaimed at least annually. There was no evidence that internal controls were reviewed during the year. The Clerk advised that these were due to be reviewed in November 2023. *Internal controls and their effectiveness should be reviewed annually.*

Due Process

Model standing orders have been adopted and reviewed during the year. However, public works contract figures differ in standing orders and financial regulations. *Advise council to review and update policies so the figures mirror each other.*

The controls for payments could be improved, *I recommend dual authority for all BACS payments, there was no evidence in the minutes that direct debits had been reviewed by council.*

A voluntary group within the village has been successful in funding for a new play park for the Parish, the council have agreed to pay the VAT element amounting to £12,160.88, this is to be paid in 4 instalments, one instalment has been paid in 2022/2023. Once the play park is completed it will be signed over to the Parish Council.

Risk Assessment Arrangements

The council has had a number of vacancies during the year which they seem to be struggling to fill. There is a risk that the council would not be quorate for meetings.

Budgetary Controls

There was no evidence that reserves were reviewed and earmarked during the year. Clerk advised that this is to be discussed at the May 2023 meeting.

Asset control

Assets and Health and Safety issues; the play equipment is currently checked monthly. Once the new play equipment is installed this will be increased to weekly.

Bank reconciliation

The Clerk advised that council are in the process of completing the bank mandate to amend and remove signatories. *There was no evidence of this from the minutes.*

Miscellaneous

The requirements of the Accounts and Audit Regulations 2015 - Section 13 (2) (b) require Councils display AGARs for the five years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 on their website. All years were displayed, *Clerk to ensure all uploaded AGAR's are signed by Council.*

As the council is declaring itself exempt from external audit it will need to ensure it complies with the transparency code for the 2022-23 year, this will mean ensuring all relevant information is published on the council's website before 1 July 2023.

Conclusion

I am pleased to conclude and report that the Clerk has maintained a good standard of record keeping that has simplified the audit process. I have confidence that the figures lifted into the Statement of Accounts

for the financial year ended 31st March 2023 are accurate and all internal control objectives have been met.