

Bridget.C.Bowen FCA
86 High Street
Weston
Bath BA1 4DD

Tel: 07465 416597

Email: bridget.c.bowen@outlook.com

Mrs V Lawrence
Clerk to Southrop Parish Council
1, Homeground Lane
Fairford
Gloucestershire
GL7 4LE

8 May 2023

Dear Vanessa

SOUTHROP PARISH COUNCIL

Internal audit report - Year ended 31 March 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.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2023-24 Annual Governance and Accounts Return.

I 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).

I was appointed as internal auditor to the Parish Council for 2023-24 on 12 May 2023. 2022.

My internal audit review was undertaken on 7 May 2024.

Background

Southrop Parish Council has income and expenditure of between £10,000 and £20,000 and is exempt from external audit review.

The Council is required to comply with the Transparency Code for Smaller Authorities.

The Council's accounting records are maintained on Excel.

Internal audit checks

I 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.

I have checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Income
- Expenditure
- VAT claims
- Payroll
- Risk assessment
- Insurance
- Asset register
- Budgets and reserves
- Transparency
- Public Rights
- Action taken on the recommendations in prior report
- Year end checks

Findings

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

Good practice

- The Clerk is CiLCA qualified
- The Council maintains its books and records on Excel
- All records were up to date and easy to follow
- The Council's Standing Orders and Financial Regulations are reviewed regularly and are tailored appropriately for the Council
- The Council has appropriate policies in place
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Bank reconciliations are prepared accurately and regularly
- Bank reconciliations are carried out promptly each month, and are checked by a councillor

Good practice - continued

- Details of all payments authorised at meetings are recorded in the minutes
- HMRC Toolkit is used for the payroll
- All employees have contracts of employment
- The budgeting process is detailed and thorough and monitored throughout the year
- VAT claims are made regularly
- The risk assessment has been adopted during the year
- The asset register is complete and accurate and has been properly maintained
- The Council complies with the Transparency Code for Smaller Authorities 2014

Recommendations

Policies and procedures

- The Standing Orders and Financial Regulations should be updated for the increases to the thresholds over which contracts must be competitively purchased, in line with the most recent amendments to the Public Contracts Regulations 2015.

SI 2023 No 1117 - The Public Procurement (Agreement of Government Procurement) (Thresholds) (Amendment) Regulations 2021 came into force on 1 January 2024 and increases the threshold in sub paragraph a) for public works contracts from £5,336,937 to £5,372,609, and the threshold in sub-paragraph c) for goods and services from £213,477 to £214,904.

SI 2022 No 1390 - Amendments to the Public Contract Regulations 2015 came into force on 21 December 2022 and increases the threshold set out in Section 109 2c) ii) over which contracts must be competitively purchased from £25,000 to £30,000

Risk assessment and insurance

- The value of street furniture in the asset register is more than the value insured. The Council should review its insurance to ensure that it is sufficient.

Budgets and reserves

- The budget produced to set the precept should clearly state whether expenditure is to be met out of reserves or from the precept, and should state what the recommended precept should be.

Other matters to be brought to the Council's attention

Annual Internal Audit Report

- The Annual Internal Audit Report was completed with positive responses to all relevant objectives.

Transparency

- There was no Privacy Statement on the website at the time of my visit. This is now in hand and will be added very soon.

Conclusion

Based on the tests I have carried out at this internal audit review, in my view, the internal control procedures in operation are adequate to meet the needs of Southrop Parish Council.

Next Steps

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations I have made.

Kind regards

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bridget Bowen', written in a cursive style.

Bridget Bowen FCA

Internal auditor