

INTERNAL AUDIT REPORT – 2023/24

North Marston Parish Council

1. Background

1.1. Local Councils, Internal Drainage Boards and other Smaller Authorities in England (includes Parish Councils) are expected to complete an annual return summarising their activities at the completion of each financial year.

1.2. One of the sections within the Annual Governance and Accountability Return (AGAR) Part 3 is to be completed by the Council's independent internal auditor, who is to give an opinion of the Council's internal controls.

2. Objectives of the Audit

2.1. To examine the system of internal controls to ensure that the Parish Council may obtain an adequate level of assurance for its activities.

3. Scope of the Work and the areas of Audit Work examined.

3.1 The Scope of Work covers the key control tests identified in the Annual Return.

3.2 In undertaking my review for the year to date I have had regard to the materiality of transactions in the year end statement (AGAR). I employed a combination of selective sampling techniques for purchases and receipts in order to gain sufficient assurance that the Council's financial and regulatory systems and controls are robust.

3.2 To complete the audit the following areas of activity have been reviewed, examined and sample tested by Internal Audit:

- Suppliers/Creditors, Payroll, Debtors/Income and Banking including bank reconciliations.
- Paperwork for receipting of payments to/from users of parish facilities,
 - Asset Register and Risk management

3.3. The audit findings of this report have been discussed with the Clerk of the Council and audit recommendations have been agreed with her.

4. Results

4.1. The Internal Auditor examined the payroll amounts for the financial year 2023/24 and all payments had been made correctly including HMRC.

4.2. Creditors (Suppliers)

4.2.1 All expenditure was found to be correctly recorded and accounted for.

4.2.2 Expenses, if any, paid to Councillors and the Clerk were legitimate and approved correctly.

4.2.3. All donations paid had been agreed by the Council prior to payment being made and properly recorded in the Receipts & Payments records.

4.3. The Risk Management is managed adequately.

4.4. Debtors, Income collection and Banking

4.4.1 In 2023/24 all income due including hall hire was received promptly.

4.5. Accounting Records

4.5.1. All receipts and payments are recorded using bespoke MS Excel spreadsheets and the Clerk carries out bank reconciliations when the bank statements are received.

4.5.2 The Bank Reconciliation has an unaccounted difference of £15. The Financial spreadsheet upon which the AGAR is based has a balance of £4468.42 against the TSB Sportsfield account whereas the TSB bank statement says £4453.42

4.5.3 The Bank Reconciliation has £190 un-presented cheques although these do not appear on the Financial Statement spreadsheets

4.6. Assets - There were £3.8k additions to the assets during the year.

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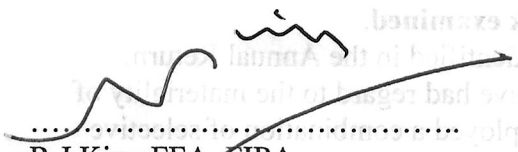
5. Conclusions/Recommendations

5.1. The Internal Controls within the Parish Council and the resulting level of assurance given to the Members is a qualified good.

5.2 I would suggest that the differences on the Bank Reconciliation are corrected.

5.3 I would suggest that the £190 of un-presented cheques on the Bank Reconciliation are investigated and action taken, either recording them on the Financial Statements or not at all.

5.4 The MS Excel spreadsheet is not supported. If any problems occur, as was the case during preparation of the 2023/24 Return she has to rely on contact with the original creator The system although well written is not able to be easily adjusted or altered from year to year by the Clerk. I would recommend that the council invest in a proprietary Local Council accounting system software such as Rialto Alpha or Scribe used by many local Parish councils in Buckinghamshire and Bedfordshire. The system is supported by the suppliers and is very flexible and easy to use. AGAR and Bank Reconciliations are automatic and there are provisions for both Purchase and Sales Ledgers.



R J King FFA, FIPA
Internal Auditor
8th June 2024