



INTERNAL AUDIT REPORT FOR THE YEAR ENDING 31 MARCH 2024

INTRODUCTION

This internal audit report is based upon the JPAG (Joint Panel on Accountability and Governance) Governance and Accountability for Smaller Authorities in England 2023 publication.

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps a council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

It is not the detailed inspection of all records and transactions of the Council in order to detect or prevent error or fraud. The objective of the internal audit is to determine whether the accounting arrangements, procedural controls, records, and documentary evidence are adequate to ensure the accurate and timely recording of financial transactions, so as to comply with all relevant legislation and best practice.

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

This report covers the activities of the Parish Council during the financial year 2023/24.

Selective testing was conducted, and the relevant policies, procedures and controls were reviewed. Inspection of digital documents, paper records and scrutiny of the parish council website were used to reference findings.

The matters raised in this report are only those which came to my attention during my internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

FINDINGS

Observations	Recommended Action
Accounting Records	
The Council uses Scribe to record financial transactions. Receipts and payments have been accurately recorded and well maintained throughout the year. The sample of financial transactions checked was satisfactory.	No further recommendations.
Financial Regulations and Expenditure	
The Council has complied with its Financial Regulations, and the banking arrangements are now	No further recommendations.

satisfactory, with two councillors approving transactions.	
Risk Management	
The council has undertaken an appropriate review of risk in May 2023 and has an adequate level of insurance. The internal controls are satisfactory, with financial reports being regularly reviewed by the council. The council should be provided with written reports from play area inspections, using an appropriate inspection checklist.	It is recommended to use a risk matrix instead of a list. The council should retain written records of play area inspections, using an appropriate inspection checklist.
Budgetary Controls (Precept Requirement)	
The annual precept requirement resulted from an adequate budgetary process; however, this was then substantially altered.	Ensure the council sets a realistic budget which will inform the precept demand.
Budgetary Controls (Budget monitoring)	
Progress against the budget has not been monitored and minuted regularly, however this has started in 2024-25. The level of general reserves is satisfactory.	Monitor and minute quarterly budget reports.
Income Controls	
Expected income was fully received and properly recorded.	No further recommendations.
Petty Cash Controls	
Petty cash is not operated by the Council.	No further recommendations.
Payroll Controls	
Salaries to employees were paid in accordance with Council approvals, with appropriate deductions applied.	No further recommendations.
Asset Register	
The council's material assets have been correctly recorded and the correct valuation basis has been applied. Last year's box 9 figure has been restated on the AGAR.	Record title number for cemetery on asset register.
Bank Reconciliations	
Periodic and year-end reconciliations were carried out.	No further recommendations.

Accounting Statements	
The Accounting Statements prepared during the year were prepared on the correct accounting basis and were supported by an adequate audit trail.	No further recommendations
Limited Assurance Review Exemption	
The authority met the exemption criteria in 2022-23 and correctly declared itself as exempt. The council does not meet the exemption criteria for 2023-24, so will be required to use AGAR Form 3 and send the required information to the external auditor, Moore.	No further recommendations.
Information Published on the Website	
The authority has a free to access website with much of the necessary information, however the public agendas do not include supporting papers.	Publish supporting papers with agendas.
Period for the Exercise of Public Rights	
The Council provided for the exercise of public rights in 2022/23 for 30 working days, as evidenced by a notice on the website, however this did not include the first ten working days of July.	Ensure the period for the exercise of public rights includes the first ten working days of July and record the dates in the minutes.
AGAR Publication Requirements	
The Council complied with the publication requirements for the 2022/23 AGAR, although the documents were not published until November 2023, due to extenuating circumstances.	Ensure documents are uploaded by the dates specified on page 1 of the AGAR.
Trust Funds (if applicable)	
The Council does not operate as a trustee.	No further recommendations.

TRANSPARENCY COMPLIANCE

Review of Internal Audit	
The Internal Audit had been reviewed the previous year and the council has made steps to address the issues raised.	No further recommendations.
Review of External Audit	
Not applicable	No further recommendations.

Accounting Statements agreed and reconciled to the Annual Return	
Section 2 of the Annual Return is complete and accurate and reconciles to the statement of accounts.	No further recommendations.

TRANSPARENCY CODE REQUIREMENTS

While the Parish Council does not fall in to the criteria for Councils below the £25k threshold, it is good practice for Parish Councils above the threshold to comply.

1) Expenditure over £100 is recorded on the Council website and with all information requirements	
Details of expenditure for 2022/23 are available in the minutes.	No further recommendations.
2) Annual Return published on the website	
Available on the website.	No further recommendations.
3) Explanation of Significant Variances	
Available on the website for 2022/23.	No further recommendations.
4) Explanation of difference between Box 7 & 8. if applicable	
Not applicable	No further recommendations.
5) Annual Governance Statement recorded	
Available on website for 2022/23	No further recommendations.
6) Internal Audit Report Published	
Available on website for 2022/23.	No further recommendations.
7) List of Councillors' Responsibilities	
Available on website	No further recommendations.
8) Details of Public Land and Building Assets	
Land ownership details and map are not on the website	Include asset register on website.
9) Minutes and Agenda	
Available on website	Include supporting papers with agendas

FURTHER RECOMMENDATIONS

Grants

It is recommended that the council considers and adopts an appropriate grant awarding policy, taking into consideration the requirement for S137 expenditure to be commensurate with the benefit for the community and/or its inhabitants. S137 expenditure must also be accounted for separately.

Precept and Budget Setting

It was noted that the figures for the 2023-24 budget differed in the minutes to that in the accounts. Following a discussion with the clerk, it appears that the budget was set in November 2023, from which the precept was derived, however the budget was then significantly altered. It is recommended that the council ensures that it sets a realistic budget, taking into consideration any plans it has for the forthcoming financial year and any predicted increases in maintenance costs, staff costs etc. The precept should be the difference between the council's budgeted expenditure and income. It is acceptable for the council to set aside funds in earmarked reserves for future projects, which would be included as part of the budget.

It was noted that the council is holding a significant sum of CIL which should be spent within 5 years of receipt.

Debit / Credit Card

It was noted that the clerk had occasionally purchased small-value items and then been reimbursed. The council may wish to consider the provision of a pre-paid debit / credit card for expenditure such as this, to prevent the clerk needing to use their own funds to purchase council equipment and then reclaim the money.

Financial Regulations

New model Financial Regulations are available from NALC or the County Association from May 2024, and it is recommended that the council adapts these to its needs and adopts them at the next available opportunity.

Website

It was noted that the policies on the website are dated 2022, so it is recommended that the current policies are available on the website with the date of their most recent review. Additionally, there did not appear to be the councillors' registers of interests on the parish council website. These must either be available directly on the parish council website or as a link to the appropriate page on the South Oxfordshire District Council's website.

The website also did not appear to have a copy of the council's Publication Scheme, which is a requirement of the Freedom of Information Act. Further information is available from the Information Commissioner's Office (ICO).

It is a strong recommendation in the 2024 JPAG Practitioner's Guide for parish councils us gov.uk websites and email addresses. It is recommended that the council

moved to a gov.uk domain when it next reviews its website provision, including gov.uk email addresses for the clerk and all councillors.

Asset Inspections

The council's regular (routine) play area checks should be undertaken using an appropriate written checklist, which is deposited with the clerk and any issues are reported to the council for action. Additionally, it is recommended that six-monthly or annual asset inspections take place, to confirm the existence and condition of the council's assets. This checklist should also be reported back to the council for any necessary actions.

Employment

The Clerk is entitled to an annual appraisal, which may help identify future training needs and areas for potential growth in their role. The council may also consider paying the clerk an allowance to contribute towards use of their home for council activities – the maximum tax-free 'working from home allowance' is currently £6 per week.

Additionally, the council should review and adopt appropriate employment policies as referred to in the model contract of employment. These include:

- Expenses policy
- Sickness absence policy
- Leave policy
- Disciplinary and grievance procedures
- Health and safety policy
- Whistleblowing policy
- Data protection policy
- Employee privacy notice
- Equality and diversity policy

Template policies are available in the members' area of the NALC website.

ICCM Membership

As the council is responsible for a cemetery, I recommend membership of the Institute of Cemetery and Crematoria Management (ICCM), who provide information and advice for burial authorities in the UK.

Training

The Clerk should be congratulated on achieving her ILCA (Introduction to Local Council Administration) qualification. I recommend that the clerk and councillors should be encouraged to take up relevant training offered by the local County Association and SLCC to increase their knowledge and understanding of the sector.

CONCLUSION

The accounting arrangements, procedural controls, records and documentary evidence are considered to be generally satisfactory, and accurately represent the Council's financial position.

I recommend that the Council undertakes a thorough budgetary process; ensures the deadlines are met for the submission and publication of the AGAR; publishes supporting papers with council agendas and publishes its land and building asset list on the website. Additionally, I recommend that the clerk and councillors undertake relevant training and that the council signs the Civility and Respect pledge.

I would like to thank the Clerk for her time and co-operation with this internal audit.

I hope that this report is of help to the Council. If you would like any further assistance or clarification, please do contact me.

A handwritten signature in dark ink, appearing to read 'R Brown', with a stylized, cursive script.

Rachel Brown

Internal Auditor