

Annual Internal Audit Report 2022/23

ENTER NAME OF AUTHORITY
Downley Parish Council

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www.DownleyParishCouncil.org

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 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 2022-23 AGAR period, were public rights in relation to the 2021-22 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 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) 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

02/08/2023

WILL COX AUDITOR

Signature of person who carried out the internal audit

Date 2/8/2023

*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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The internal audit for 2022/23 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**	Notes	Recommendations
A. Appropriate accounting records have been properly kept throughout the financial year.	✓			The current Clerk / RFO is using spreadsheets. Currently no plans to change.	
B. The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓			Following last years recommendations to follow Financial Regulations. It was found that the council has implemented regulations which are now being compiled with:- 5.2 - Approved payment schedule is signed off by the chairman at the meeting. 5.3 All invoices for payment are showing as being verified by the RFO. 6.5 Invoices and counterfoils have both signatories initials. Council reviewed DD and SO 13 Dec 2022 - Minute 8659/12/22. Risks were reviewed in July 22. Minute 8554/7/22. No new risks were identified, current risks were reviewed.	New Deposit account was opened with Lloyds within the financial year. Council approved 8633/2/22. A reserve policy has been implemented 8655/03/23 - but could be more detailed.
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓			Regular budget reports have been submitted to council. The council monitors the levels of resources.	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓			The council does not record debtors. There is no monies owed to the council at year end.	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓			The council holds no petty cash. Small items are purchased by Clerk and expenses claimed.	
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓			During the year the council used an external payroll provider who ran the payroll process and submitted to HMRC. Regular payments of PAYE tax and National Insurance are paid for by the council by cheque. During the year HMRC misplaced the cheques.	This will be resolved when the new unity bank account is opened (estimated September 23) On-line payments will be able to be made directly to HMRC
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.	✓			A summary was provided by the council which agreed to the AGAR. Fixed Asset register has been updated to identify assets	The council should identify Assets to agree and minute disposals and additions at the year end.
H. Assets 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.	✓			A sample of bank transactions were reviewed to ensure control objective was met. There was adequate documentation in accordance with the financial regulations	
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick 'not covered').	✓		✓	N/A	N/A
L. The local authority publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.	✓				
M. The authority, during the previous year (2021/22) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓				
N. The authority has complied with the publication requirements for 21/22 AGAR (see AGAR Page 1 Guidance notes).	✓				Ensure the Accounts and Audit Regulations are complied with.
O. (For local councils only) Trust funds (including charitable). The council met its responsibilities as a trustee.	✓		✓		

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: 02 / 08 / 2023

Name of person who carried out the internal audit: Kelly Wilcox

Signature of person who carried out the internal audit:

Kelly Wilcox

Date: 24/05/2023