

Annual Internal Audit Report 2022/23

TINGEWICK PARISH COUNCIL

<https://tingewickparishcouncil.org.uk/>

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.			N/A
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

06/06/2023

Name of person who carried out the internal audit

BRIAN FLUDGATE

Signature of person who carried out the internal audit

B. Fludgate

Date

06/06/2023

***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).**

Addendum to Annual Internal Audit Report 2022/23

Tingewick Parish Council

Auditor's Comments and Recommendations

	<p>General Comment: The authority has implemented a number of recommendations from the 2021/22 internal audit report and have achieved significant improvement in its financial processes and internal audit controls. However, there remains uncompleted corrective actions in 3 areas (although one is a consequence of non-compliance in the last financial year) which are set out below. I consider the weaknesses identified as relatively low risk given the positive modifications now in place, but do require attention.</p>	
B	<p>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</p> <p>Comment: The authority have yet to update their Financial Regulations last reviewed in May 2018. Improvements in financial control have been introduced but are not reflected in their published regulations. Therefore it has not fully met the requirements of the Practitioners' Guide on internal control (section 1.14 refers).</p> <p>Recommendation 1. The authority's Financial Regulation require a fundamental review and modified to properly reflect how the authority manage and monitor their finances. As there has been a transition from cheque based to online payments this should be set out in more detail as to how banking arrangements and authorisations are carried out.</p>	No
J	<p>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.</p> <p>Comment: While an end of year accounting statement was prepared, the work to provide monthly financial reports for council meetings is still 'work in progress' i.e. not fully resolved by the authority. Therefore it has not fully met the requirements of the Practitioners' Guide on financial management (section 1.9 refers).</p>	No

	<p>Recommendation 2. A monthly finance report should be produced and presented at the monthly meeting. The report should contain as a minimum:</p> <ul style="list-style-type: none"> • <i>A monthly bank reconciliation</i> • <i>The budget set for each budget line, year to date spend per budget line and remaining budget per budget line.</i> • <i>VAT expenditure and running total to be re-claimed.</i> • <i>Income received broken down by income lines (e.g. Precept, Grants, Interest)</i> 	
L	<p>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.</p> <p>Comment: The authority's website contained all required financial information for 2021/22, but due to the late submission of the AGAR forms, the parish community had no visibility of the authority's finances until December 2022.</p> <p>See Recommendation 3 below.</p>	No
M	<p>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).</p> <p>Comment: Due to the late submission of AGAR forms the published period (12 December 2022 to 26 January 2023) for the exercise of public rights did not include the first 10 working days in July as required by the Regulations.</p> <p>See Recommendation 3 below.</p>	No
N	<p>The authority has complied with the publication requirements for 2021/22 AGAR</p> <p>Comment: Due to the late submission of the AGAR forms the publication requirements were not met. Therefore it has not fully met the requirements of the Practitioners' Guide on exercise of public rights (section 1.28 refers).</p> <p>Recommendation 3. On receipt of the publication requirements for the current year, the Clerk to alert the councillors to the submission deadlines as set out by the external auditor guidelines and the Practitioner's Guide, and agree the timescales and resources required to fully comply.</p>	No

Brian Fludgate

(appointed Internal Auditor)

12 June 2023