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11th June 2023

Woore Parish Council

Ladies and Gentlemen

I have been appointed as your Internal Auditor and am employed by the Council to conduct such tests as are agreed and are sufficient to enable me to complete the Internal Auditor's Report contained within the Audit Commission's Annual Return Form for the appropriate financial year.

My report is based on the Guide issued by the Joint Panel on Accounting Guidance (JPAG). Whilst the tests I have made are taken from the Practitioners' Guide, they are relevant to the various headings on the Annual internal audit report. I have given my rationale for the answers given on that report.

A. Appropriate accounting records have been kept properly throughout the year.

Appropriate books of account have been kept properly throughout the year. A Cash Book is maintained, is up to date, regularly balanced and the reconciliation of the cash book balance and the bank statement is regularly agreed by the council and minuted. The books are made up to 31st March 2023 and were audited by me on 4th June 2023.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

The council's financial regulations have been met. I checked a sample of the Income and also the invoices paid. Payments were supported by invoices; all expenditure was approved, and VAT was or will be properly accounted for. I tested a sample of the payment transactions and found them to be satisfactory. VAT on payments has been identified and recorded separately. The Standing Orders are reviewed annually, the last occasion being May 2022. The Financial Regulations were also similarly reviewed at the May meeting of the Council, see minute 22013.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Council has assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. The Risk Assessment policy was discussed and approved by the council at their May 2022 meeting under reference 22013 and it is reviewed annually. In addition, all the existing policies/protocols together with some new policies/protocols, e.g. Code of Conduct 2022, GDPR policies April 2022 were adopted by the full Council in May 2022 see minute 22013.a & b. An updated comprehensive Freedom of Information Policy document was adopted in December 2018 Whilst the Council does not have a Reserves policy it follows the rule of being equivalent to 6 months routine expenditure. I am aware from the minutes that the council do reference their reserves in the risk assessment and also financial regulations. The reserves are also covered in the budget discussions yearly and reserves form part of budget calculations. I have checked the budget for 2022-23 and also the Monies available that is calculated with reserves in mind.

The existing Insurance cover runs from 1 June 2022 to 31 May 2023. This item was discussed by the council at their May 2022 meeting, see minute 22020.a.. The insurance is a three year contract.

In addition the Council re-appointed three of the Councillors, to continue in the role of cheque signatories.

D. The precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate.

A comprehensive budget for 2023-24 was drawn up and was discussed by the Council and a final budget was agreed and approved by the full Council at their November 2022 meeting ref. 22111.a. An expenditure budget of £52,700 was set, and a precept figure was agreed and set at £31249. See minute ref 22111.b. The budget is monitored quarterly and a report prepared for the councillors. The year end budget was considered by the full Council at their May 2023 meeting.

The unrestricted reserves of the Council are adequate and appropriate, see item C. above.

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.

All income has been received, is properly recorded and promptly banked where applicable. The recorded precept and Neighbourhood Fund monies agree to the County Council authority's notification, and I have checked a number of the credit entries. The council does not deal in cash or near cash items. VAT has been properly accounted for and is claimed annually. A refund of the VAT for the year to 31st March 2022 of £1287.65 was received on 14th June 2022 and a claim for the year to 31st March 2023 totalling £1581.93 has been submitted. Repayment progress is monitored by the Clerk/RFO.

F. The Council does not deal in Petty Cash.

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.

The existing clerk has a Contract of Employment, which is based on the NALC model. Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied and payments to HMRC are up to date. The Clerk's increase in salary was duly approved and minuted.

H. Asset and investment registers were complete and accurate and properly maintained.

The Asset register is complete, and its accuracy and maintenance have been reviewed by the full Council at their May 2022 meeting see minute 22038. (iii). The council does not have an investment register as it has no investments.

I. Periodic bank account reconciliations were properly carried out during the year.

Periodic and year end reconciliations are carried out monthly and these have been checked, approved by the council and signed by the Chairman. I have examined all these checks and all have been duly minuted.

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.

Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, and supported by an adequate audit trail. At the year-end there are no unexplained balancing entries in either reconciliation, The year-end accounts have been prepared on the correct accounting basis and the value of investments held is not applicable. At the year end, there are original bank statements for all accounts.

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").

The authority did not certify itself as exempt from a limited assurance review in 2021-22, and this heading is not applicable.

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.

The authority has published the required information on the website.

M. In the year covered by this AGAR, the authority correctly provided for the 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).

This exercise was correctly provided for and the exercise was duly minuted under minute 22038.(v).

N. The authority has complied with the publication requirements for 2021/22 AGAR. (see AGAR Page 1 Guidance Notes).

The authority has complied with the requirements.

O. (For local councils only).

Trust funds (including charitable) – The council met its responsibilities as a trustee.

Not applicable.

Conclusion.

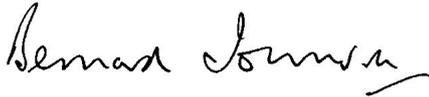
I have marked all the categories on the internal audit form as conforming to the required standard on the basis that under risk management there is little, or no risk attached to the council from any of the comments I have made.

From my internal audit testing there is no evidence of any irregularities and a lot of work has continued to be put in by the clerk and the Council. I would like to thank the Clerk for the excellent way in which the accounts have been prepared, the minutes have been set out, and her overall control of the affairs of the Council, particularly with regard to the legislative side.

I make no apology for stating that I am well aware that the Councillors act in an unpaid capacity, but at the end of the day they are liable if anything goes wrong. To have such a clerk keeping an eye on the affairs of the Council so that there are no "shocks" at the end of the year and the Council can answer "Yes" to all the questions on their Governance Statement should be very re-assuring to the Council as a whole. It is a privilege to undertake the Internal Audit for such a well-run Council.

My thanks to you all.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Bernard Townson', with a stylized flourish at the end.

Bernard Townson
Internal Auditor
11th June 2023