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Elizabeth Martin  
Clerk to Ogbourne St George Parish Council  
Ivy House  
72, The Green  
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1 July 2022

Dear Elizabeth

## **OGBOURNE ST GEORGE PARISH COUNCIL**

### **Internal audit report - Year ended 31 March 2022**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2021-22 Annual Governance and Accounts Return.

I have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2021
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council for 2021-22 on 10 March 2022.

My internal audit review was carried out on 1 July 2022.

## **Background**

Ogbourne St George Parish Council has income and expenditure of less than £25,000 and is exempt from external audit.

The Council is not a sole managing trustee.

The Council is required to comply with the Transparency Code for Smaller Authorities 2014.

The Council's accounting records are maintained on Easy Books.

## **Internal audit checks**

I have undertaken a series of audit tests on the Council's financial records, vouchers, documents, minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at the review.

I checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Income and expenditure
- VAT claims
- Payroll
- Risk assessment and insurance
- Asset register
- Budgets and reserves
- Transparency code
- Year end checks

## **Findings**

Details of good practice noted, my recommendations and other matters to be brought to the Council's attention are set out below.

### **Good practice**

- The Clerk is studying for the CiLCA qualification
- The Council maintains an accounting system on Easy Books
- The Council's Standing Orders and Financial Regulations are reviewed regularly and are tailored appropriately for the Council
- The Council has appropriate policies in place
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Councillors attend training by the local branch of the National Association of Local Councils
- Bank reconciliations are prepared regularly
- Details of all payments authorised at meetings are recorded in the minutes
- All payment vouchers tested were evidenced as approved
- The payroll is operated by an independent external payroll provider

## **Good practice continued**

- All employees have contracts of employment
- The budgeting process is detailed and thorough and monitored throughout the year
- Adequate insurance is in place
- The Council has taken appropriate action to enable it to continue to meet and function during the Covid-19 pandemic

## **Recommendations**

### ***Minutes of meetings***

- The total amount of expenditure approved at the meeting is recorded in the minutes.

### ***VAT claims***

- The Council submits VAT claims annually.

### ***Risk assessment and insurance***

- The Council must ensure that it reviews, updates and adopts the risk assessment annually. Further guidance on risk assessments is available in the Practitioners Guide.

### ***Transparency***

- The 2020-21 AGAR is put on the Council's website.
- The Council is not currently complying with the transparency Code for Smaller Authorities 2014. No information relating to 2020-21 is on the website.

### ***Year end procedures***

- The period for the exercise of public rights must start after the AGAR has been approved by the Council. The draft notice for 2021-22 on the Council's website should be taken down. The dates suggested in the agenda for the meeting on 7 July 2022 should not be approved.
- The Council has not adopted the risk assessment during the year and should answer "no" to assertion 5 on the Annual Governance Statement

## **Other matters to be brought to the Council's attention**

- The Annual Governance and Accountability Return (AGAR) was completed with positive assertions to all relevant objectives with the exception of:
  - Objective C. The Council has not reviewed and adopted the risk assessment during the year.
  - Objective L. The Council has not published the required information relating to 202-21 on the website and is not complying with the Transparency Code for Smaller Authorities 2014
  - Objective N. The 2020-21 AGAR is not on the Council's website
- Not all the payment dates in the cash book were correct, though everything was recorded.
- The invoices supplied to support the expenses payment of £404.76 on 10 March 2022 total £373.68
- Bank reconciliations should be prepared at the last day of the month.

**Conclusion**

Based on the tests I have carried out at this internal audit review, in my view, the financial internal control procedures in operation are adequate to meet the needs of Ogbourne St George Parish Council. However in 2021-22 there have been significant failings in Transparency and risk assessment.

**Next Steps**

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations I have made.

Kind regards

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bridget Bowen', written in a cursive style.

Bridget Bowen FCA

Internal auditor