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Elizabeth Martin  
Clerk to Ogbourne St George Parish Council  
Ivy House  
72, The Green  
Poulshot  
Devizes SN10 1RT

23 June 2023

Dear Elizabeth

## **OGBOURNE ST GEORGE PARISH COUNCIL**

### **Internal audit report - Year ended 31 March 2023**

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 2022-23 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)' 2022
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council for 2022-23 on 9 March 2023.

My internal audit review was carried out on 20 June 2023.

## 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 Excel.

## 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
- Public Rights
- 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 Council maintains its books and records on Excel
- 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
- Details of all payments authorised at meetings are recorded in the minutes
- The payroll is operated by an independent external payroll provider
- All employees have contracts of employment
- The budgeting process is detailed and thorough and monitored throughout the year
- VAT claims are made regularly
- The risk assessment has been adopted during the year
- The asset register is complete and accurate and has been properly maintained
- Adequate insurance is in place

## **Recommendations**

### ***Approval of invoices***

- All payments should be supported by an invoice that has evidence of approval by Council / Councillors.

### ***Transparency***

- The 2021-22 signed AGAR is put on the Council's website.
- The Council is not currently complying with the transparency Code for Smaller Authorities 2014. Steps should be taken to comply as soon as possible.
- The links to documents on the website, in particular the link to the Councillors' Register of Interests should be fixed as soon as possible.

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

### **Annual Internal Audit Report**

- The Annual Internal Audit Report was completed with positive assertions to all relevant objectives with the exception of:
  - Objective B. The Council has not reviewed and adopted the risk assessment during the year.
  - Objective I. The Council did not have access to its bank statements for a significant proportion of the year and therefore reconciliations could not be carried out. I have not had sight of the statement for the Unity Savings account for 31 March 2023 and I have therefore not been able to check the year end bank reconciliation.
  - Objective L. The Council has not published the required information relating to 2022-23 on the website and is not complying with the Transparency Code for Smaller Authorities 2014
  - Objective M. The 2022 AGAR was approved after 30 June 2022, the inspection period did not include the first 10 working days of June and was only 26 working days when the requirement is 30 working days
  - Objective N. The signed 2022-23 AGAR is not on the Council's website

### **Annual Governance Statement**

- As a result of the findings above I recommend that the Council responds "NO" to the following assertions on the Annual Governance Statement:
  - Assertion 2 - as access to banking records was not possible for the whole year and bank reconciliations could not be undertaken
  - Assertion 3 - As the Council has not complied with relevant legislation including the Transparency Code for Smaller Authorities 2014 and the Accounts and Audit (England) Regulations 2015 with relation to the publication of the 2021-22 AGAR.
  - Assertion 4 - as the Notice for Public Rights did not comply with the Accounts and Audit Regulations
  - Assertion 7 - not all the payment dates in the cash book were correct, though everything was recorded and this was brought to your attention in my report in 2022.

### Annual Accounting Statements

- Box 3 for the 2022 column should read £36
- Box 11a should be ticked "No"

### 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 in all significant respects adequate to meet the needs of Ogbourne St George Parish Council. However in 2022-23 there have been significant failings in approval of invoices and transparency.

### 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



Bridget Bowen FCA

Internal auditor