

Annual Internal Audit Report 2023/24

Bayton Parish Council

<https://e-services.worcestershire.gov.uk/MyParish/>

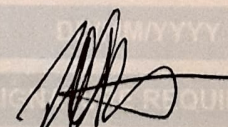
During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 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 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 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 2023-24 AGAR period, were public rights in relation to the 2022-23 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 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	✓		

O. (For local councils only)	Yes	No	Not applicable
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: 25/04/2023
 Name of person who carried out the internal audit: Ruth Mullett
 Signature of person who carried out the internal audit: 
 Date: 25/04/2023

*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).

Ruth Mullett
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25th April 2024

BAYTON PARISH COUNCIL (BPC)

Internal Audit Report for the Annual Governance and Accountability Return Financial Year Ending 31st March 2024

Scope of Audit

The Council is required to undertake an internal audit to evaluate the effectiveness of its risk management, control, and governance processes.

I confirm that I am independent of financial decision making, financial management, financial control, and financial procedures of BP.

I have examined documents with a view to report on BP's performance against the internal control objectives identified in the Annual Governance and Accountability Return 2023/24 Form 2.

Documents

I have examined the following documents given to me or accessed via the website: -

- Meeting minutes and agendas
- Bank statements.
- Summary reports for receipts and payments and bank account totals generated by an excel spreadsheet.
- Invoices
- Payments received/remittance advice documents.
- Audit documents including Annual Governance and Accountability Return (AGAR) documents.
- Notice of Public Rights
- Financial Regulations
- Standing Orders

FINDINGS FOR EACH INTERNAL CONTROL OBJECTIVE

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

I have examined transaction records from the spreadsheets provided, transactions, payments and receipts and carried out a sample of the transaction records with the

bank statements, invoices and payments received documents. I have also carried out an end of year bank reconciliation and I have found no errors or omissions.

I conclude that this audit objective has been met.

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

I have checked compliance with Financial Regulations, in particular I have considered the procedure to ensure transactions are recorded in the minutes and the procedure for approval of expenditure.

Payments are made outside of the meeting but it is pleasing to note the council has a Banking Payment Policy which allows for this, payments are then subsequently minuted at the next meeting for full openness and transparency.

I have taken samples of transactions of payments from the spreadsheet provided, found the corresponding invoices and confirmed timely approval and payments.

The spreadsheet show that VAT is correctly accounted for, and that VAT has been claimed for from HMRC credited on 27th July 2023 for £538.06.

I can confirm that this internal objective was met.

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

I have seen evidence that a Risk Assessment has been carried out. The Risk Assessment was presented to full council on 31st October 2024.

I can confirm that this internal control objective was met.

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

The budget and precept were considered by full council on 10th January 2024 and the amount agreed to precept was £9.100.00. It was pleasing to note this was correctly minuted.

At least quarterly a budget comparison against all income and expenditure should be brought to full council.

BPC have high reserves of £15,752.59 but the council has adopted a Reserves Policy which explains the allocation of the funds.

Going forward please present to full council a budget comparison against income and expenditure. I can confirm that this internal control objective has been met.

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

Spreadsheets were examined and found no errors or omissions.

I can confirm that this internal control objective was met.

Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for

There was no petty cash payments or expenditure.

I can confirm that this internal control objective was met.

Salaries to employees and allowances to members were paid in accordance with BPC approvals and PAYE and NI requirements were properly applied.

Examination of printed records and invoices demonstrate that salaries and allowances (expenses) were correctly approved, and PAYE and NI requirements were correctly applied. PAYE is administered through Basic Tools.

There are no councillor allowances.

I can confirm that this internal control was met.

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

The Asset Register is up to date and approved by full council on 25th April 2024.

I can confirm that this internal control was met.

Periodic and year end bank account reconciliations were properly carried out.

Bank reconciliations are presented to full council and approval minuted. I have found no errors or omissions.

I can confirm that this internal control was met.

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 were prepared for BPC from Excel spreadsheets. The format of the reports included totals in bank accounts, a summary of receipts and payments and reports on reserve balance.

I have compared a sample of the transaction records with the bank statements, invoices and payments received and found no errors omissions.

I can confirm that this internal control objective has been met.

If BPC certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt.

BPC meet the criteria to claim exemption and the decision was minuted at a full council meeting held on 25th April 2023.

I can confirm that this control objective was met.

BPC publishes information on a website, up to date at the time of the internal audit, in accordance with the relevant transparency code requirements.

Agenda and minutes are uploaded onto the website.

Councils with a budgeted income less than £25,000.00 who declare themselves exempt must comply with the Transparency Code for Smaller Authorities namely:-

The following information must be published on an accessible website:-

- Minutes, agendas and papers of formal meetings – **this internal objective has been met**
- Items of expenditure over £100.00 – **this internal objective has been met**
- End year accounts – **this objective has been met**
- Annual Governance Statement – **this objective has been met**
- Internal Auditors Report – **this objective has been met**
- List of councillors responsibilities – **if applicable to BPC**
- Location of public land and building assets – **if applicable to BPC**

I can confirm that this control objective was met.

BPC, during the previous year (2022/23) has correctly provided for the period for the exercise of public rights in accordance with the Accounts and Audit Regulations

The Notice of Public Rights of the Annual Governance and Accountability Return for the year ended 31st March 2023 was examined. The commencement date is 5th June to 14th July. This has been uploaded onto the website and minuted.

I can confirm that this internal control objective was met.

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

BPC does not act as a trustee for any trust fund.

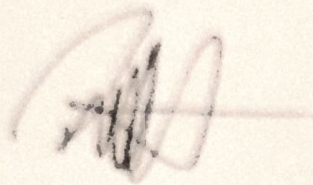
This control objective is not applicable.

Other Points for Attention

1. The Annual Council Meeting was held in July 2023. The Local Government Act 1972, c.70, sch12, part II states that the annual council meeting must be held in May.

Finally I would like to thank the Leakey for her assistance and co-operation in preparation for and during the course of the audit.

Kind regards

A handwritten signature in dark ink, appearing to be 'Ruth Mullett', with a long horizontal line extending to the right.

Ruth Mullett
BA (Hons) Community Governance