

.....

LIGHTATOUCH

7 Hodder Close, Chandlers Ford, Hants, SO53 4QD.
Tel: 07762 780605 Email: Tim.Light1@hotmail.co.uk

24 April 2024

The Proper Officer and RFO

East Meon Parish Council

PO Box 280

East Meon

Petersfield

Hampshire GU32 9FZ

Dear Sam

Internal Audit Letter Report for Council 2023/2024

April 2023 –March 2024

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. We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2023-24 Annual Governance and Accountability Return (AGAR).

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

- 'Accountability and Governance for Smaller Authorities – A Practitioners' Guide (England)' 2023
- The Accounts and Audit (England) Regulations 2015 (as amended).

The Clerk agreed that the end of year internal audit could be carried out remotely and has provided view access to the Scribe software and further back-up information for the period April 2023 to March 2024 to support the current governance and financial management position of the Council.

.....

April 26, 2024

Page 2

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council's Website.

A series of independent audit tests was undertaken from the information made available to ascertain the efficiency and effectiveness of these internal controls.

A full check was also carried out on completion of the Annual Governance and Accountability Return (AGAR) for 2023/2024.

As part of this Internal Audit Review, we checked that:

Bank Reconciliations

- bank reconciliations for the bank account have been carried out between 1 April 2023 – 31 March 2024, and totals agreed to those shown in the Cash Book.

Income and Expenditure

- test checks of the Cash Book totals for April 2023 – March 2024 were checked to payment information to ensure that the details were correctly recorded, and VAT elements extracted correctly.
- Income recorded in the bank accounts was checked to ensure the details matched to those entries shown in the Cash Book.

VAT

- A VAT reimbursement claim for £6499.37 for the period for April 2023 to March 2024 will be submitted to HMRC in the near future.

Payroll Information

- Deductions from Payroll information during the 2023/2024 financial year were checked to ensure that suitable arrangements are in place to deduct PAYE, National Insurance Contributions and Pension Contributions from gross salary of the Proper Officer during the financial year.
- It is noted that a monthly payment is made to HMRC for payment of PAYE and National Insurance Contributions.

Asset Register

- We confirmed with the Proper Officer has reviewed the Asset Register, and this is now upto date as at 31 March 2024.

Risk Assessment 2023/2024

- the risks of the Parish Council were reviewed in January 2024 to ensure that the requirements of the Governance and Accountability for Smaller Authorities in England (March 2023) is met.

Insurance

- the Insurance Cover for the Parish Council is with Hiscox Insurance and is sufficient for the Parish Council in 2023/2024.

Parish Council Minutes

- we checked the details of Parish Council Minutes on the Council website from April 2023 to March 2024 to record points of note for any financial approval or decision that affected the budget of the Parish Council and to ensure that details were correctly shown in the Financial Ledger.

East Meon Recreational Ground Trust

- We reported in our internal audit report for 2022/2023 that we had noted the Parish Council are sole managing trustees of the East Meon Recreational Ground Trust but the income and expenditure for the Trust is not separately recorded and is included in the accounts of the Parish Council.
- The Parish Council separated the income and expenditure in during 2023/2024. However, the income and expenditure remained within the Parish Council accounts until a new separate bank account was opened for the Trust.
- To satisfy the requirements of the Practitioners Guide 2023 and to comply that all income and expenditure is separate from the accounts of the Parish Council assertion 11(b) on the Annual Governance and Accountability Return (Section 2 Accounting Statements) will need to be answered "yes" and (Section 1 Governance Statement assertion 9) should be answered "no".
- Although the Parish Council have now taken the appropriate action necessary to remedy that all income and expenditure is separately recorded for the East Meon Recreational Trust in a separate bank account we will continue to tick "no" on the Annual Internal Audit Report to Control Objective O for 2023/2024 but will tick "yes" on the Annual Internal Audit Report for 2024/2025.

End of Year Procedures 2023/2024

A full check was carried out on the End of Year documentation provided by the Clerk to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals over 15% between 2022/23 and 2023/2024 shown on Section 2 of the AGAR as required by the External Auditor.

The 2023/2024 AGAR Internal Audit Report requires the Internal Auditor to check the Council has correctly provided the proper opportunity for the Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations 2015.

This includes the Internal Auditor being shown evidence that the posting of the Notice on the website was done at least one clear day before the 30-working day period begins.

(Audit Note; We are pleased to report that the Parish Council have displayed the Notice correctly to comply with the requirements of the Accounts and Audit Regulations 2015).

The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.

April 26, 2024
Page 4

This report should be noted and taken to the next meeting of the Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Letter Report should also be Minuted by the Council.

Yours sincerely,

Tim Light FMAAT - Internal Auditor