

**INTERNAL AUDIT REPORT  
2022/2023 - ANNUAL RETURN  
SCRIVEN PARISH COUNCIL**

**1. Background**

- 1.1. Following the abolition of the Audit Commission a new organisation has been established which is responsible for issuing proper practices in relation to the accounts of smaller authorities. It is called the Smaller Authorities Proper Practices Board (SAPPB), and is made up of members of the SLCC, NALC, CIPFA, the Department of Housing, Communities and Local Government (DHCLG), the Department of Environment, Food and Rural Affairs (DEFRA), the National Audit Office and a representative of the external audit firms appointed to smaller authorities
- 1.2. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Part 3 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year. Where the higher of gross income or gross expenditure was £25,000 or less, a council can certify themselves as exempt from a limited assurance review, and complete part 2 of the AGAR. The AGAR for part 2 is made of 2 sections along with an annual internal audit report. which is to be completed by the Parish Council's independent internal auditor, who is to give an opinion of the Parish Council's internal controls.  
Scriven Parish Council has completed a certificate of exemption and part 2 of the AGAR when the statements of accounts are approved.
- 1.3. CDALC have provided Councils with a checklist to be used, this annual audit uses this list as the minimum of the tests to be carried out.

**2. Objectives of the Audit**

- 2.1. To examine the system of internal controls to ensure that the Parish Council may obtain an adequate level of assurance for its activities.

**3. Scope of the Work and the areas of Audit Work examined.**

- 3.1 The Scope of Work covers the ten key control tests identified in the annual internal audit report part of the AGAR.
- 3.2. To properly complete the audit the following areas of activity have been examined and tested:  
Payroll  
Creditors (including petty cash)  
Risk Management/Governance arrangements  
Income collection and Banking arrangements  
Accounting records,  
Assets  
Debtors  
Budgetary Control (including year end procedures)  
Exercise of Public Rights
- 3.3. Any audit findings of this report have been discussed with the Clerk of the Council and any audit recommendations have been agreed with her.
- 3.4 To carry out this audit I was given permission to access to view the Clerks folder.

**4. Audit Findings**

**4.1. Payroll**

- 4.1.1 The Parish Council has 1 employee who works agreed hours and is paid in line with NJC payscales, all payroll information is confirmed by the Chair. This was found to be correct.

4.1.2. Payroll services is provided externally, which is a good internal control for the Council. With payment made every 3 months and this was checked for the year and was processed properly with the amounts correctly paid, with approval of the amounts confirmed by 2 Councilors' in accordance with the creditors (Accounts Payable) system.

#### **4.2. Creditors (Accounts Payable)**

4.2.1. There are no separation of duties at Scriven Parish Council as the Parish Clerk is the only Officer responsible for Finance and Administration. Satisfactory compensating checks are carried out by the Members.

4.2.2. The Council has commenced with internet banking and is managed between the Clerk who initiates the payment, and a Councilor who authorizes the payment, and the relevant invoices are presented to Members each month for agreement,

4.2.3. I examined all payments amounts for the year and all had been properly approved and recorded.

4.2.4. There were 0 donations/Section 137 payment made within the year.

4.2.5. There is no petty cash, any small purchases are made by the Clerk, which are reimbursed as expenses. This was found to be satisfactory.

#### **4.3. Risk Management/Governance arrangements**

4.3.1. The Council considers an effectiveness of the internal controls every year at the Annual Meeting (9<sup>th</sup> June 2022), when the statement of accounts are approved, this gives evidence to the Annual Governance Statement for the Council. The risks to the Council are also considered during this review.

4.3.2. There appears to be adequate insurance cover for all assets of the Council, with other quotes considered at the 6<sup>th</sup> May 2021 meeting.

4.3.3 Revised Standing Orders as recommended by NALC are updated and approved when required.

Financial Regulations were agreed at a meeting on 21<sup>st</sup> March 2013, with paragraph 18.1. stating that these should be reviewed whenever there is a material change to the activities of the Council and at least every 2 years. These were last reviewed on the 21<sup>st</sup> April 2021 Council meeting.

4.3.4. The Exercise of Public Rights was announced on 30<sup>th</sup> June 2022 and covered the period 1<sup>st</sup> July to 11<sup>th</sup> August 2022 and placed on the Council's website..

#### **4.4. Income collection and Banking arrangements**

4.4.1. Income received is mainly from the precept, vat claim, and any bank interest throughout the year and this was confirmed as correctly recorded in the records.

4.4.2. There are 2 bank accounts held by the Council, Treasurers account for day to day transactions of the Council and a Reserves Account (deposit account).

4.4.3. I have agreed the reconciliation of the bank statements at the end of the year to the Income and Expenditure records as at 31<sup>st</sup> March 2023.

4.4.4. There is very little Vat to be reclaimed by the Council each year, which the Clerk is aware of, and

is reclaimed when considered economical to do so. No claim was made during 2022/23.

**4.5. Accounting Records**

4.5.1. All Income and Expenditure was properly recorded,

**4.6. Security/Assets**

4.6.1. I understand that the Council owns assets, and these had previously been updated to show the current insurance value.

**4.7. Debtors**

4.7.1. There are no accounts raised for any debts owed to the Council.

**4.8. Budgetary Control**

4.8.1. The budget estimates and precept were initially discussed by a Parish Council Committee meeting on 13<sup>th</sup> October 2022 and agreed on 10<sup>th</sup> November 2022.

4.8.2. At every Council meeting, Members are provided with financial reports, a bank reconciliation statement and payments since the last committee meeting and checked in line with Financial Regulations.

**5. Conclusions**

5.1 Of the key controls examined within AGAR there was nothing which was considered to be of concern with the internal controls found to be working satisfactorily.

**6. Recommendations**

6.1. There are no recommendations.

**Gordon Fletcher (C.M.I.I.A.),  
Internal Auditor,**

**Date: 2<sup>nd</sup> May 2023**