

COPYTHORNE PARISH COUNCIL MEETING – FEBRUARY 14TH 2023

ITEM 15. To receive and approve the Interim Internal Audit Report for Period April 1st 2022 to December 31st 2022

On January 13th 2023 I met with Tim Light, the Parish Council's internal auditor to go through the findings of his Interim Internal Audit Report for the first nine months of the 2022/23 Financial Year.

I am pleased to report that as you will see from his Audit Report attached that there are ***"No formal recommendations from this interim internal audit review"***.

The section of the report headed ***"Other matters to be brought to the Council's attention"*** contains four purely information points all of which form part of my role as the Parish Council's Responsible Financial Officer.

The conclusion of the report reads as follows:-

"Based on the tests we have carried out at this interim internal audit review, in our view, the internal control procedures in operation are adequate to meet the needs of Copythorne Parish Council".

Tim and I have agreed to meet again on April 28th 2023 to go through the final three months of the Council's Financial Year and hopefully cover off the required AGAR (Annual Governance and Audit Review) for 2022/23.

In the meantime, I would ask you to receive and approve Tim's report appended below.

David Rigby
Clerk/RFO, Copythorne Parish Council
January 30th 2023



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Tel: 07762 780605 Email: Tim.Light1@hotmail.co.uk

18 January, 2023

The Parish Clerk

Copythorne Parish Council

9 The Cleeves,

Totton,

Southampton,

SO40 8WL

Dear Mr Rigby

Interim Internal Audit Report

Copythorne Parish Council – April 2022 to December 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. 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 2022-23 Annual Governance and Accountability Return.

We 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).

Copythorne Parish Council had income and expenditure of between £25,000 and £30,000 in 2021/2022 and was subject to a Limited Assurance review by the External Auditor, PKF Littlejohn. The Council received a clean audit report for 2021/2022.

It is good practice for the Council to comply with the Local Government Transparency Code Regulation 2015.

The first interim internal audit visit was agreed with the Parish Clerk to be carried out on 13 January 2023.

This visit continues to check the internal control systems from the internal audit work done in 2021/2022 and focusses on checking and validating internal control systems in use at the Parish Council including transactional elements of the financial accounts.

Internal audit checks

During this review we checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Investments
- Income and Expenditure
- VAT claims
- Insurance
- Budgets and Reserves
- Payroll
- Transparency of the Council website

Findings

Details of good practice noted, our 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 spreadsheets
- The Clerk is aware of the requirements of GDPR
- The Council is registered with the ICO
- Details of total payments authorised at meetings
- All records were up to date and easy to follow
- The budgeting process is detailed and thoroughly monitored throughout the year
- The Reserves of the Council are detailed and recorded
- Bank reconciliations are carried out promptly each month and were accurate
- The Council takes an active scrutiny role
- The Insurance is appropriate for the size of the Council
- Salary payments to the Clerk are correctly calculated.
- The Council comply with the Transparency Code Regulation 2015.

Recommendation

- There are no formal recommendations from this interim internal audit review.

Other matters to be brought to the Council's attention

- We have agreed that a VAT reimbursement claim will be submitted in February 2023 to HMRC for the period April 2022– December 2022.
- The Council have provided evidence of the posting date for the Exercise of Public Rights in 2022 and will be able to tick "Yes" to Assertion 4 on Section 1 (Governance Statement) of the AGAR 2022/2023 to comply with the requirements of the Accounts and Audit Regulations 2015. We will also be able to tick "Yes" to Control Objective M on the Annual Internal Audit Report 2022/2023.
- We note that the risk assessment for 2022/2023 will need to be approved by full Council by 31 March 2023. We understand that this will be approved at the Parish Council meeting in February 2023. Once this is completed, we will be satisfied that the Council can tick "Yes" to Assertion 5 on Section 1 (Governance Statement) of the AGAR 2022/2023 to comply with the requirements for the External Auditor. We will then tick "Yes" to Control Objective C on the Annual Internal Audit Report 2022/2023. The 2022/2023 Risk Assessment should then be uploaded on to the Council website for information.
- The Clerk will be updating the Asset Register to record new purchases and disposals for 2022/2023 and presented, approved and Minuted by the Council before the 31 March 2023. Once this is completed the Council can tick "Yes" to Assertion 6 on the Annual Governance Statement on the AGAR 2022/2023. We will be able to tick "Yes" to Control Objective H on the Annual Internal Audit Report 2022/2023.

Conclusion

Based on the tests we have carried out at this interim internal audit review, in our view, the internal control procedures in operation are adequate to meet the needs of Copythorne Parish Council.

Next review

The next internal audit review has been arranged for **Friday 28 April 2023**.

At this review detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income and Expenditure
- VAT claims
- Asset Register
- End of Year Procedures

Next Steps

This report should be noted and taken to the next meeting of the Parish Council.

Tim Light FMAAT
Internal auditor