

COPYTHORNE PARISH COUNCIL MEETING – FEBRUARY 11TH 2025

ITEM 11. To receive and approve the Interim Internal Audit Report for Period April 1st 2024 to November 30th 2024

On January 10th 2025 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 eight months of the 2024/25 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 five 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 Friday April 25th 2025 to go through the final four months of the Council's Financial Year and hopefully cover off the required AGAR (Annual Governance and Audit Review) for 2024/25.

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

David Rigby
Clerk/RFO, Copythorne Parish Council
January 31st 2025



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

10 January, 2025

The Parish Clerk

Copythorne Parish Council

9 The Cleaves,

Totton,

Southampton,

SO40 8WL

Dear Mr Rigby

Interim Internal Audit Report

Copythorne Parish Council – April 2024 to November 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 2024-25 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)' 2024
- The Accounts and Audit (England) Regulations 2015 (as amended).



The Council is not a sole managing trustee.

The Council's accounting records are maintained on Spreadsheets.

The Parish Clerk provided back-up information electronically in advance of the visit to cover the period April 2024 to November 2024 which supports the current governance and financial management position of the Council.

We continue to report that the Parish Clerk has good systems of internal control and procedures that are of a high standard which provide for transparency of the Parish Council activities.

This includes careful consideration that the Chancellor has increased the Employers NI rate from 13.8% to 15% from April 2025. The Council should note this includes a reduction in the per employer threshold at which employers pay national insurance to £5000 so this will have an impact of budget setting and potential Precept calculations.

We 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.

- 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.
- VAT reimbursements are made on a regular basis.
- 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

- The Council have provided evidence of the posting date for the Exercise of Public Rights in 2024 and will be able to tick "Yes" to Assertion 4 on Section 1 (Governance Statement) of the AGAR 2024-2025 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 2024-2025.
- We have checked the completion of the risk assessment for 2024-2025. It is noted that this will be approved by full Council on 14 January 2025. Once approved we will be satisfied that the Council can tick "Yes" to Assertion 5 on Section 1 (Governance Statement) of the AGAR 2024-2025 to comply with the requirements for the External Auditor. We can tick "Yes" to Control Objective C on the Annual Internal Audit Report 2024-2025. The 2024-2025 Risk Assessment should then be uploaded on to the Council website once approved for information.
- The Clerk continues to update the Asset Register to record new purchases and disposals for 2024-2025 and this will be presented, approved and Minuted by the Council before the 31 March 2025. Once this is completed the Council can tick "Yes" to Assertion 6 on the Annual Governance Statement on the AGAR 2024-2025. We will be able to tick "Yes" to Control Objective H on the Annual Internal Audit Report 2024-2025.
- The Parish Council has informed its website provider of the changes to adhere to the requirements set out in the website accessibility rules. The Parish Council website will now meet the new WCAG 2.2 AA standard for website accessibility. **(The Parish Clerk has confirmed this with the website provider).**
- The External Auditor has reminded Councils that it is best practice that Authority's should review and approve each financial year:

- the appointment or continuing appointment of the Internal Auditor.
- that the Internal Auditor is independent of the Council.
- the effectiveness of the Internal Audit.

(Audit Note: We recommend that to continue to meet these best practice requirements the Parish Council should consider approving and recording these details in the Minutes of the full Parish Council in each financial year).

We also remind the Parish Council that:

- the recording of any CiL or S106 monies not used in the financial year should be recorded in Earmarked Reserves.
- the Insurance renewal details should be reviewed and recorded in your minutes of the Council or Committee in each financial year, even if you are locked in a three-year agreement.

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 appropriate to meet the needs of Copythorne Parish Council.

Next review

The next internal audit review has been arranged for **Friday 25 April 2025**.

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