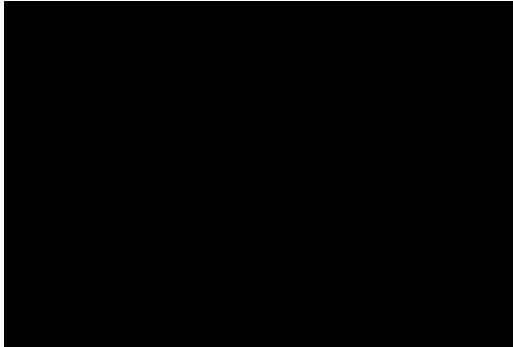


6 May 2024



## 2023/24 Internal Audit Report for Bledlow-cum-Saunderton

From Jane Olds – Internal Auditor

I reviewed the documents provided and met with the Clerk, Tracey Martin, on 29 April via Zoom and finalised the information on 6 May.

### **BASIS OF REPORT**

This internal audit report is based upon the Joint Panel on Accountability and Governance (JPAG) Practitioners’ Guide in England 2023 publication.

The scope of this internal audit is focused on assessing the effectiveness of the Council’s internal controls and was outlined in the original Letter of Engagement. Where any such controls are found to be deficient, the internal audit will help lead to improvement in those processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations and applying the approach to internal audit testing outlined above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

Please note: it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the Council in order to detect error or fraud. It is the periodic independent review of a Council’s internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council’s control. Managing the Council’s internal controls should be a day-to-day function of the staff and Councillors and not left for internal audit. (Source: (JPAG) Practitioners’ Guide 2023 – Section 4).

| <b>Annual Return Section</b> | <b>Process</b>           | <b>Findings</b>   | <b>Recommendations and actions</b> |
|------------------------------|--------------------------|---|------------------------------------|
| A                            | Bookkeeping Arrangements | Appropriate books of account have been kept properly throughout the year and are well maintained with sound audit trails. | No further recommendations.        |

| <b>Annual Return Section</b> | <b>Process</b>   | <b>Findings</b>   | <b>Recommendations and actions</b>                                  |
|------------------------------|--|---|---|
| B                            | Council's Financial Regulations have been met with regard to expenditure | The Council's Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure.<br><br>Payments were supported by invoices, and expenditure was approved and VAT appropriately accounted for. | No further recommendations.   |
| C                            | Review of Internal Controls  | The Council has adequate Internal Control provision including a Councillor Responsible for Internal Financial Control.  | No further recommendations.   |
| C                            | Review of Risk Assessment  | The Council has assessed the significant risks to achieving its objectives using their Risk Assessment; the document was adopted at a meeting on 15 May 2023 and has been published.  | No further recommendations.   |
| D                            | Budgetary Controls (Precept requirement)                                 | The annual Precept requirement resulted from an adequate budgetary process.   | No further recommendations.   |
| D                            | Budgetary Controls (Budget monitoring)                                   | Progress against the budget was monitored and minuted regularly.  | No further recommendations.   |
| D                            | Reserves were appropriate  | Reserves were accounted for.  | A policy with itemised amounts should be devised for clarification. |
| D                            | The final outturn is in line with expectations                           | The final outturn was materially in line with expectations.   | No further recommendations.   |
| E                            | Income controls  | Expected income was fully received and properly recorded.   | No further recommendations.   |
| E                            | VAT  | VAT had been appropriately accounted for.   | No further recommendations.   |
| F                            | Petty cash controls  | Petty cash is not operated by the Council.  | No further recommendations.   |

| <b>Annual Return Section</b> | <b>Process</b>   | <b>Findings</b>  | <b>Recommendations and actions</b>   |
|------------------------------|--|--|--|
| G                            | Payroll controls   | Salaries to employees were paid in accordance with Council approvals.  | No further recommendations.  |
| H                            | Asset Controls - all material assets correctly recorded                  | The current asset register has correctly recorded all material Assets. The correct basis of valuation has been applied.                            | No further recommendations.  |
| H                            | Asset Controls - all additions and removals correctly recorded           | Additions in the year have been correctly recorded within the Cash Book and Register.  | No further recommendations.  |
| H                            | Asset Controls - all Deeds and Titles established and shown on register? | All appropriate Deeds and Titles have been established and are shown on the Register.  | Add the Title registration number to the asset register of the Church wall, if there is one together with the title number from the play area as it is leased. |
| H                            | Investment Registers   | No investment register was available.  | As the Council has investments of over £1,00k JPAG recommends an investment strategy.  |
| I                            | Bank Reconciliations   | Periodic and year-end reconciliations were properly carried out.   | No further recommendations.  |
| J                            | Accounting Statements  | The Accounting Statements prepared during the year were prepared on the correct accounting basis and were supported by an adequate audit trail.    | No further recommendations.  |
| K                            | Limited Assurance Review Exemption                                       | The Council does not meet the exemption criteria.  | No further recommendations.  |
| L                            | Information published on website   | The information is fully available.  | No further recommendations.  |
| M                            | Exercise of Public Rights  | The Parish Council published the exercise of public rights notice on the website and noticeboard with the following dates: 5 June to 14 July 2023. | No further recommendations.  |
| N                            | AGAR publication Requirements  | The Parish Council complied with the publication requirements for the 2022/23 AGAR.  | No further recommendations.  |

| <b>Annual Return Section</b> | <b>Process</b>  | <b>Findings</b>                                   | <b>Recommendations and actions</b> |
|------------------------------|---|---|------------------------------------|
| O                            | Trust funds (If applicable) – the Council met its responsibilities as a trustee | The Parish Council does not operate as a trustee. | No further recommendations.        |

### Transparency Compliance

| <b>Process</b>   | <b>Criteria</b>   | <b>Findings</b>   | <b>Recommendations and actions</b> |
|--|---|---|------------------------------------|
| Review of Internal audit action plan has been considered and actioned? | Good Practice   | The Internal Audit had reviewed the previous year.  | No further recommendations.        |
| External Audit recommendations have been considered and actioned.      | Good Practice   | The Conclusion of Audit report had been received for 22/23 and had been published on the website.<br><br>Findings: NS&I Account information incomplete. | No further recommendations.        |
| Accounting Statements agreed and reconciled to the Annual Return       | Section 2 of the Annual Return is complete and accurate and reconciles to the statement of accounts.  | The accounting statements in this annual return present fairly the financial position of the Council and its income and expenditure.                    | No further recommendations.        |
| Compliance with the Transparency Code                                  | While the Parish Council does not fall in to the criteria for Councils below the £25k threshold, it is good practise for Parish Councils above the threshold to comply. |   |                                    |
| Compliance with the Transparency Code                                  | 1) Expenditure over £100 is recorded on the Council website and with all information requirements   | Available on the website.   | No further recommendations.        |
| Compliance with the Transparency Code                                  | 2) Annual Return published on the website   | Available on the website.   | No further recommendations.        |
| Compliance with the Transparency Code                                  | 3) Explanation of significant variances   | Not currently available.  | Publish if possible.               |
| Compliance with the Transparency Code                                  | 4) Explanation of difference between Box 7 & 8 if applicable  | Not applicable.   | No further recommendations.        |

| Process                               | Criteria                                      | Findings                  | Recommendations and actions |
|---------------------------------------|---|---------------------------|-----------------------------|
| Compliance with the Transparency Code | 5) Annual Governance Statement recorded       | Available on the website. | No further recommendations. |
| Compliance with the Transparency Code | 6) Internal Audit Report Published            | Available on the website. | No further recommendations. |
| Compliance with the Transparency Code | 7) A List of Councillors' responsibilities    | Available on the website. | No further recommendations. |
| Compliance with the Transparency Code | 8) Details of Public Land and Building Assets | Available on the website. | No further recommendations. |
| Compliance with the Transparency Code | 9) Minutes & Agenda                           | Available on the website. | No further recommendations. |

### Further Recommendations:

Following the completion of the Internal Audit, the Council should undertake a review of effectiveness as per Regulation 6 of the Accounts and Audit Regulations 2015. A blank form can be supplied.

### Training

The Clerk and the Councillors should be encouraged to take up the training offered by the local County Association and SLCC to increase their knowledge and expand the Clerk's professional development. I recommend including a regular agenda item and budget for training.

### Reserves

I recommend that the Parish considers its earmarked reserves and agrees to adopt a full Reserves Policy which should be reviewed annually (a model document is available in the advice section of the SLCC website). The overall amount of unallocated reserves which the Parish holds is low once the CIL funds are taken into account. I recommend that the Council considers building up additional reserves for items such as an asset replacement fund (for bins, benches, defibrillators etc), election costs, IT provision, clerk sickness / overtime and even professional fees. Guidance can be found in the latest edition of the Practitioners' Guide (starting at 5.31).

While the majority of the funds held are from CIL, as recommended in the Practitioners' Guide, as the Council holds more than £100k in funds, an investment strategy should be considered.

### Minutes

I recommend that Minutes include resolutions and more factual detail about those resolutions. A general format along the lines of "The Council **RESOLVED** to agree to engage [contractor name] to undertake xx at a total cost of £xx" would be helpful to see.

It is useful to have the word "resolved" in bold and caps as this then indicates that the Council has made a formal decision.

## **Website**

The current domain name is a .org.uk domain and does not have a SSL Certificate. The Cabinet Office is currently promoting the adoption of .gov.uk domain names for all parish and town councils. According to Nominet, the UK registrar, .co.uk is for companies and .org.uk is for charities, neither of which the Parish Council could be considered.

The Smaller Helper Domain Service was created by the Cabinet Office to help parish and town councils transfer over to .gov.uk and currently has a grant of £100 to pay for the first year's domain registration. As the current website is a number of years old, and the provision should be reviewed any way, I recommend that a review of the website provider is undertaken and consideration given to the transfer to a .gov.uk domain; consideration should also be given to council email addresses. More information about the project can be found at <https://www.slcc.co.uk/funding-2024-25-moving-to-a-gov-uk-domain/>

## **The Dell**

The Council may like to take advice from the Open Spaces Society about the management of The Dell.

## **Conclusion**

The above are recommendations to help the Council improve its processes and in no way detract from the work it, and the Clerk, has already done.

I have noted that many of the actions which I recommended last year have been completed; the Clerk and Council should be commended for this.

Bledlow-cum-Saunderton Parish Council has an electorate in the region of 2061 and the Precept for the year 23/24 was set at £20,163.30.

In general, I believe that the Council has competent arrangements in place to satisfy itself that its systems of internal financial control are transparent and effective. There are approval and authorisation controls to minimise risk. The audit and management trail for financial transactions is good.

This report should be noted and taken to the next meeting of the Council for minuting to inform them of the Internal Audit work carried out.

I hope that this report is of help to the Council. If you would like any further assistance or clarification, please do contact me.



Jane Olds  
Internal Auditor