

**INTERNAL AUDIT REPORT
2022/2023 - ANNUAL RETURN
KIMBLESWORTH and PLAWSWORTH 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 £25,0000 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. Kimblesworth and Plawsworth Parish Council have to complete a certificate of exemption and part 2 of the AGAR, this is completed when the accounts are being 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 key control tests identified in the annual internal audit report part of the AGAR., also included in this review is to review the progress on the recommendations from the previous internal audit action plan.
- 3.2. To properly complete the audit the following areas of activity have been examined and tested by Internal Audit:
- Payroll
 - Creditors (including any petty cash)
 - Risk Management
 - 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 and any audit recommendations have been agreed with him.

4. Audit Findings

4.1. Payroll

- 4.1.1. The Parish Clerk works varied hours which is recorded on a timesheet and is paid in line with NJC payscales. The Chair approves the payments made each month, and signs the timesheets

4.1.2. Actual deductions are paid to HMRC each month

4.2. Creditors

4.2.1. There are no separation of duties at Kimblesworth and Plawsworth Parish Council as the RFO is the only Officer responsible for Finance and Administration. Compensating checks are carried out by the Members when agreeing the payments, with the Chair confirming each payment.

4.2.2. All payments by Direct debit and Standing Orders are confirmed by the Chair from the bank statement.

4.2.3. Payments are made on line by BACS which are prepared by the RFO who confirms that the invoices are "o/k to pay". The minutes record payee, amount and reason for payment.

4.3. Risk Management/Governance arrangements

4.3.1. Financial Regulations (para 17) state that "The council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council". The risk register has been reviewed and was approved on 9th February 2023

4.3.2. Financial Regulations with Standing Orders were reviewed at the 12th May 2022 Annual Council meeting.

4.3.3. Policies are reviewed when required throughout the year

4.3.4. Bank statements are confirmed and signed by the Chair.

4.3.5. Exercise of the Public Rights for 2021/22 was announced on 31st May 2022 with the inspection period being 1st June to 14th July 2022.

4.4. Income collection and Banking arrangements

4.4.1. Income received is mainly the precept, vat claim and allotment rents.

4.4.2. The Council has a list of allotment tenants on a spreadsheet showing plot numbers and amounts. It was confirmed that where possible all income was received and banked during 2022.

4.4.3. VAT refund has been claimed for 1st April 2022 to 31st March 2023. 2021/22 vat was received in the Councils bank account on 25th April 2022.

4.4.4. The council has one bank account, with adequate reserves for the size of the Council as there are no planned projects from the budget, although the Council discuss possible projects throughout the year.

4.4.5. I have agreed the reconciliation of the bank statements for the current account at the end of the year to the Income and Expenditure records of the Parish Council as at 31st March 2023.

4.5. Accounting Records

4.5.1. All income and expenditure are recorded on a spreadsheet which includes the vat amount and shows the total of money in the bank which is reconciled to the bank statements and is reported at each Council meeting.

4.6. Assets

4.6.1. The asset register was reviewed at the 9th February 2023 Council meeting.

4.7. Debtors

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

4.8. Budgetary Control and Budget Setting

4.8.1. Budgets setting for 2023/24 was initially discussed at the 10th November and 8th December meetings with the final budget and precept agreed at the 12th January 2023 meeting, along with a reserves policy.

4.8.2. Budget monitoring was carried out at the 14th July 2022 meeting and 13th October 2022 meeting.

5. Conclusions

5.1. The internal controls of the Council are adequate for the size of the Council.

6. Recommendations

6.1. There are no recommendations.



**Gordon Fletcher (C.M.I.I.A.),
Internal Auditor,
Date: 17th April 2023**