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Chute Forest Parish Council,
 Thistle House
 10 Foxtail Gardens
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Date: ^{5th} April 2023

INTERNAL ADITOR REPORT

Dear Chairman,

I was appointed as the Parish Council Internal Auditor for FY 22-23. I have carried out a review of the Parish Council's accounts in line with the "Governance and Accountability for Smaller Authorities in England (A Practitioners' Guide (England) 2023). The results of the review and any subsequent recommendations are shown in the table below.

Internal Control	Test & Results	Recommendations
(a)	(b)	(c)
Proper bookkeeping	<ul style="list-style-type: none"> • Is the cashbook maintained and up to date? Yes, all transactions entered as they arise. Is the cashbook arithmetic correct? Yes • Is the cashbook regularly balanced? Yes, every 2 months. 	
a) standing orders and financial regulations adopted and applied; and b) payments controls	<ul style="list-style-type: none"> • Has the council formally adopted standing orders and financial regulations? Yes, and they are reviewed annually. • Has a Responsible finance officer been appointed with specific duties? Yes, as set out in Standing Orders & Financial Regulations • Have items or services above the de minimus amount been competitively purchased? Yes, unless there was only one supplier. • Are payments in the cashbook supported by invoices, authorised and minuted? Yes, and fully cross referenced. • Has VAT on payments been identified, 	

	<p>recorded, and reclaimed? Yes</p> <ul style="list-style-type: none"> • Is s137 expenditure separately recorded and within statutory limits? Yes 	Expenditure of £40.00 on a Remembrance Wreath
Risk management arrangements	<ul style="list-style-type: none"> • Does a review of the minutes identify any unusual financial activity? No • Do minutes record the council carrying out an annual risk assessment? Yes, at 19th May 22 meeting. • Is insurance cover appropriate and adequate? Yes, and reviewed annually in line with additions to asset register and risk assessment. • Are internal financial controls documented and regularly reviewed? Yes, as per Standing Orders and Financial Regulations 	
Budgetary Controls	<ul style="list-style-type: none"> • Has the council prepared an annual budget in support of its precept? Yes, RESOLVED 20th Jan 22 meeting. • Is actual expenditure against the budget regularly reported to the council? Yes, at every meeting. • Are there any significant unexplained variances from budget? No 	
Income Controls	<ul style="list-style-type: none"> • Is income properly recorded and promptly banked? Yes, as soon as it is received. • Does the precept recorded agree to the Council Tax authority's notification? Yes • Are security controls over cash and near-cash adequate and effective? Yes, as set out in Standing Orders and Financial Regulations 	
Petty cash procedures	<ul style="list-style-type: none"> • Is all petty cash spent recorded and supported by VAT invoices/receipts? N/A • Is petty cash expenditure reported to each council meeting? N/A • Is petty cash reimbursement carried out regularly? N/A 	

1. This is the first year that I have been the Parish Council's Internal Auditor and I have a good understanding of Parish Council Accounts.
2. This this has not been a normal year because the previous Clerk had only been in place for a short time when she resigned and this covered the end of FY 21/22 and the production of the AGAR and supporting actions and documents.
3. The following issues have arisen because of the short time the previous Clerk was in position and her subsequent resignation:
 - a. The Box 9 figure was incorrectly stated as £68555 and as a result the Accounting Statement for FY 21/22 will need to be restated to reflect the change in Box 9 from £68555 to the correct value of £73460. **This is an agenda item for the May 2023 PC meeting.**
 - b. The asset register was not complete nor accurately and properly maintained. **The registers have been brought up to date by the current Clerk.**
 - c. The Council has fully published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation. **The current Clerk has where possible published the required information. However, not all the required information has been found in the Council's files.**
4. I recommend that the Council adopts a more proactive approach to ensuring that the Clerk is doing their job properly and to that end it would be beneficial if the Chairman and at least attend training offered by WALC in order to be in a position to monitor the Clerk's performance effectively.
5. Since his appointment in November the current Clerk has spent a considerable amount of time and effort trying to operate effectively whilst at the same time attempting to resolve the issues that have arisen due to the previous Clerk's sudden departure. I am confident that the Council now has in place good control and accountability of its finances.
6. I have noted that as the Council does not hold any Petty Cash the following was not covered **"Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for"**.
7. I note that the Council certified itself as exempt from a limited assurance review in FY 2021/2022. Moreover, the Council is now following follow the guidance given by the External Auditor and IAW The Practitioners' Guide 2022.in that clerk's expenses are now accounted for in box 6 of the AGAR.
8. I note that the Council's cash balance has increased from £4832.50 at the end of FY 21/22 to **£5457.91** mainly due to an increase in the precept and because of a decrease in the clerk's salary and expenses. I remain confident that the Council is getting good value for money in that the Council.
9. The Council has applied rigorous scrutiny to its budget for FY 23/24 and resolved to increase the Precept for FY 23/24 by only £76 to £5400. I support the Council in doing this as it fits with its intention to maintain its minimum reserves at £2,750.00 (51% of FY 23/24 Precept).

10. I confirm that during summer 2022 the Council had correctly provided the proper assurance for the exercise of public rights in accordance the requirements of the Accounts and Audit Regulations.
11. I note that that as the Council does not have income or expenditure in excess of £25K there is no requirement for a limited review and as a result the council has certified itself as exempt from a limited review.
12. Following guidance from The Joint Practitioners' Advisory Group I would encourage the Council to have its own e-mail address which is owned by the council rather than relying on the use of personal e-mail addresses that can change regularly. This will reduce the risk of correspondence going astray or being delayed.
13. I advise the Council that, notwithstanding my comments at paras 3 & 4, its **current** internal controls and accounting practices combined with its Financial Regulations and Risk Assessment **now** meet the standard required to allow the Council to safely certify itself as exempt from a review by an External Auditor and to sign off the Annual Governance Statement and Accounts Statements as required at Sect 1 & 2 of the Annual Governance and Accountability Return Part 2.

Yours sincerely

K. C. Cockerton - ^{KCC} ~~#~~ 5/4/2023.

Keith Cockerton
Internal auditor to Everleigh PC

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External Auditor
Chute Forest Parish Council

Date: April 2023

INTERNAL AUDITOR REPORT - AGAR PAGE 4 SECT F EXPLANATION

Dear External Auditor,

As the Parish Council's appointed Internal Auditor for FY 22-23 I confirm that my reason for ticking the "not covered" box at Section F of the Internal Control objective on page 4 of Eveleigh Parish Council's AGAR for 2021/2022 is that no Petty Cash is held.

Yours sincerely

K. L. Cockerton
5th April 2023.

Keith Cockerton
Internal auditor to Everleigh PC