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**Chute Forest Parish Council,**

Thistle House  
10 Foxtail Gardens  
Ludgershall  
Wiltshire  
SP11 9TB

Date: 2nd, April 2024

**INTERNAL ADITOR REPORT**

Dear Chairman,

I was appointed as the Parish Council Internal Auditor for FY 23-24. 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) 2024. 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"><li>• Is the cashbook maintained and up to date? <i>Yes, all transactions entered as they arise.</i></li><li>• Is the cashbook arithmetic correct? <i>Yes</i></li><li>• Is the cashbook regularly balanced? <i>Yes, every 2 months.</i></li></ul>	
a) standing orders and financial regulations adopted and applied; and  b) payments controls	<ul style="list-style-type: none"><li>• Has the council formally adopted standing orders and financial regulations? <i>Yes, and they are reviewed annually.</i></li><li>• Has a Responsible finance officer been appointed with specific duties? <i>Yes, as set out in Standing Orders &amp; Financial Regulations</i></li><li>• Have items or services above the de minimus amount been competitively purchased? <i>Yes, unless there was only one supplier.</i></li><li>• Are payments in the cashbook supported by invoices, authorised and minuted? <i>Yes, and fully cross referenced.</i></li><li>• Has VAT on payments been identified,</li></ul>	

	<ul style="list-style-type: none"> <li>Is s137 expenditure separately recorded and within statutory limits? Yes</li> </ul>	Expenditure of £40.00 on a Remembrance Wreath
Risk management arrangements	<ul style="list-style-type: none"> <li>Does a review of the minutes identify any unusual financial activity? No</li> <li>Do minutes record the council carrying out an annual risk assessment? Yes, at 19<sup>th</sup> May 22 meeting.</li> <li>Is insurance cover appropriate and adequate? Yes, and reviewed annually in line with additions to asset register and risk assessment.</li> <li>Are internal financial controls documented and regularly reviewed? Yes, as per Standing Orders and Financial Regulations</li> </ul>	
Budgetary Controls	<ul style="list-style-type: none"> <li>Has the council prepared an annual budget in support of its precept? Yes, RESOLVED 10 Nov 22 meeting.</li> <li>Is actual expenditure against the budget regularly reported to the council? Yes, at every meeting.</li> <li>Are there any significant unexplained variances from budget? No</li> </ul>	
Income Controls	<ul style="list-style-type: none"> <li>Is income properly recorded and promptly banked? Yes, as soon as it is received.</li> <li>Does the precept recorded agree to the Council Tax authority's notification? Yes</li> <li>Are security controls over cash and near-cash adequate and effective? Yes, as set out in Standing Orders and Financial Regulations</li> </ul>	
Petty cash procedures	<ul style="list-style-type: none"> <li>Is all petty cash spent recorded and supported by VAT invoices/receipts? N/A</li> <li>Is petty cash expenditure reported to each council meeting? N/A</li> <li>Is petty cash reimbursement carried out regularly? N/A</li> </ul>	

1. This is the second year that I have been the Parish Council's Internal Auditor and I have a good understanding of Parish Council Accounts.
2. 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.
3. 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".
4. I note that the Council certified itself as exempt from a limited assurance review in FY 2023/2024. Moreover, the Council is now following ~~follow~~<sup>KCC</sup> the guidance given by the External Auditor and IAW The Practitioners' Guide 2024 in that clerk's expenses are now accounted for in box 6 of the AGAR.
5. I note that the Council's cash balance has ~~increased~~<sup>DECLARED KCC</sup> from ££5457.91 at the end of FY 22/23 to £5125.27 mainly due to pay the Clerk for a full year. I remain confident that the Council is getting good value for money in that the Council.
6. The Council has applied rigorous scrutiny to its budget for FY 24/25 and resolved to increase the Precept for FY 24/24 by £250.00 to £5650. I support the Council in doing this as it fits with its intention to maintain its minimum reserves at £2,750.00 (48.6% of FY 24/25 Precept).
7. I confirm that during summer 2023 the Council had correctly provided the proper assurance for the exercise of public rights in accordance the requirements of the Accounts and Audit Regulations.
8. 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.
9. 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 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.
10. Finally, following the latest guidance from The Joint Practitioners' Advisory Group I would now strongly encourage the Council to use gov.uk domains for websites and emails for which funding of £100.00 +VAT maybe available.

Yours sincerely



Keith Cockerton  
Internal auditor to Chute Forest PC