

LAVERSTOCK & FORD PARISH COUNCIL

Report for Agenda Item 24.075 Approval of Internal Audit Report

Subject: Internal Audit Report 2023/24

Date: 20th May 2024

Author: Andrew Prince, RFO

1. Report Summary.

- 1.1 An Internal Audit of Laverstock and Ford Parish Council was conducted by IAC Audit and Consultancy Ltd on 8th March 2024 and continued online using the Council's website and Scribe Accounts. This report presents the certified copy of the Internal Audit Report that forms page 3 of the Council's Annual Governance and Accountability Return 2023/24.

2. Background.

- 2.1 The Council is required to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes by the Accounts and Audit Regulations 2015.
- 2.2 The Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide includes guidance on the appointment of an Internal Auditor and on the conduct of an internal audit.
- 2.3 The Council has appointed IAC Audit & Consultancy Ltd to carry out an internal audit for the year 2023/24.

3. Internal Audit Report and Control Objectives.

- 3.1 The signed Internal Audit Report is attached at Annex A to this report. It contains fifteen control objectives. The internal auditor has given a positive response (Yes) to eleven of those objectives, and either 'Not covered' or 'Not applicable' to a further four objectives.
- 3.2 The Internal Auditor has written to explain the reasons for items not covered. The letter is attached at Annex B.

4. Recommendation.

- 4.1 That the Council approve the Annual Internal Report 2023/24 for inclusion in the Annual Governance and Accountability Return 2023/24.

Annex A – Annual Internal Audit Report 2023/24

Annual Internal Audit Report 2023/24

Laverstock and Ford Parish Council

laverstockford-pc.gov.uk

During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	Yes		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			N/A
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Yes		
H. Asset and investments registers were complete and accurate and properly maintained.	Yes		
I. Periodic bank account reconciliations were properly carried out during the year.	Yes		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	Yes		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")			N/A
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.			N/A
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	Yes		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	Yes		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			N/A

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

10/06/2023 08/03/2024

Kevin Rose ACMA- IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit

Date

05/05/2024

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Annex B – Explanation of Items Not Covered



The Clerk
Laverstock & Ford Parish Council
3 Pilgrims Way
Laverstock
Salisbury
SP1 1RZ

05-May-24

Explanation of "Not Covered" responses

Further to our Internal Audit of your Council for the financial year 2023/24, I am pleased to submit the signed Internal Report for your Annual Return. We have completed our work and I can confirm that we have not given a Negative response for any of the Internal Control Objectives.

You will note that we have given 'Not Covered' responses in respect of Control Objectives F, K, L and O and we are required to explain why we have done this.

- *The reason for the Not Covered response for Objective F is that we understand that your Council does not maintain a Petty Cash.*
- *The reason for the "Not Covered" response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from limited assurance review for 2022/23 financial year.*
- *At present no specific guidance has been provided to Internal Auditors as to what the 'relevant legislation' is in respect of Control Objective L. We have tested against the requirements of Statutory Instruments 2015/480 The Local Government (Transparency Requirements) and 2015/494 The Smaller Authorities (Transparency Requirements), neither of which apply to your Council. The publication requirements of Statutory Instrument (2015/234) The Accounts and Audit Regulations are covered in our responses to Internal Control Objectives M and N. The Council should note that we have not considered any additional publication requirements that may apply, for example those set out in the ICO Model Publication Scheme for Parish Councils.*
- *The reason for the Not Covered response for Objective O as it is our understanding that the Council does not act as Trustee.*

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The External Auditor may query why we have responded 'Not Covered' and, if so, you should provide them with a copy of this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director