

Internal Audit

Horspath Parish Council

Year Ending 31 March
2024

Internal Auditor: Lisa Wilkinson

Summary Checklist Report

This internal audit report is based upon the Practitioners' Guide to Governance and Accountability in Local Authorities.

Internal Audit Summary Checklist Report for Horspath Parish Council

Year Ending: 31 March 2024

Name of Council	Horspath Parish Council	Name of Clerk to the Council	Hayley Kogel
No. Of Councillors	11	Name of RFO	Hayley Kogel
Quorum	4	Precept (for audit year)	£53000
Electorate	1129	Gross budgeted income	£56600

1. Book-Keeping			Comments & Recommendations
1.1	Ledger maintained & up to date?	Yes	The accounts are kept on an Excel spreadsheet and broken down into codes. They were balanced and up to date for Year End
1.2	Arithmetic correct?	Yes	Checks of the accounting confirmed that the cashbook arithmetic was correct.
1.3	Evidence of internal control?	Yes	<ul style="list-style-type: none"> Internal audit Risk assessment Budgetary control and monitoring (actual vs budget for November 2023 provided) Bank reconciliations
1.4	VAT evidence, recording and reclaimed?	Yes	The Council is able to recover VAT through the Local Authorities and Similar Bodies Scheme. A claim for repayment of VAT is made annually after the end of the financial year.
1.5	Payments in the ledger supported by invoices, authorised & minuted?	Yes	See Detailed schedule in Compliance Testing Report. All payments are authorised in the minutes.
1.6	Is GPC expenditure separately recorded and within statutory limits?	Yes	See S137 notes 3.8
1.7	Is GPC expenditure of direct benefit to the electorate?	Yes	All S137 expenditure incurred in the current financial year was in respect of activities relevant to the parish – donation to the Maple Tree Centre

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2. Due Process			Comments & Recommendations
2.1	Standing Orders adopted since 2010?	Yes -	Updated standing orders have been adopted. Please note that the standing orders need tailoring to the council: 'A model standing order that includes brackets like this '()' requires information to be inserted by a council. A model standing order that includes brackets like this '[]' and the term 'OR' provides alternative options for a council to choose from when determining standing orders.' For example, 3i & 6d
2.2	Standing Orders reviewed at Annual Meeting?	No	Reviewed March 2024
2.3	Financial Regulations adopted?	Yes	Reviewed March 2024
2.4	Financial Regulations properly tailored to Council?	No	Please tailor the regulations to the council e.g. 4.5 & 4.8
2.5	Equal Opportunities policy adopted?	No	.
2.6	RFO appointed?	Yes	Hayley Kogel is the RFO.
2.7	List of member's interests held?	Yes	The Clerk maintains and updates the list of member's interests as required. The district council also holds the list.
2.8	Agendas signed, informative and displayed with 3 clear days' notice?	Yes	The clerk prepares and signs the council meeting agenda, which lists matters for discussion and is posted on the Council's website and on notice boards three clear days in advance of the meetings
2.9	Purchase orders raised for all expenditure?	Yes	Most orders for goods and services are made by or confirmed by email.
2.10	Purchasing authority defined in Financial Regulations?	Yes	As per Financial Regulation 11.1i : 'When it is to enter into a contract of less than £25,000 in value the Clerk shall obtain 2 quotations, where the value is below £3,000 and above £100 the Clerk shall strive to obtain 2 estimates.
2.11	Legal powers identified in minutes and/or ledger?	No	Recommend legal powers are recorded on invoices and /or in minutes.
2.12	Committee terms of reference exist and have been reviewed?	No	Planning and finance committees are in operation. Recommend drawing up and resolution of terms of reference for both committees. Please note committees <i>must</i> be open to the public and are subject to the same rules as full council meetings e.g., agenda 3 clear days. Members of public can be excluded for specific items such as clerk's salary or awarding of tenders, but not for discussion of precept etc.

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3. Risk Management			Comments & Recommendations
3.1	Does a scan of the minutes identify any unusual financial activity?	No	Minutes are prepared for all meetings of the Council. No unusual financial activity was found in the minutes reviewed; Council minutes are available to view on the Council's website.
3.2	Is an annual risk assessment carried out?	Yes	The Council has a formal risk assessment policy in place covering many of the areas of risk the Council may be faced with. The risk assessment policy is maintained by the Clerk and reviewed annually - reviewed and minuted June 2023. Recommend that the risk assessment has a proper update- the same comments seem to be on it from last year.
3.3	Is Insurance cover appropriate and adequate?	Yes	The level and range of insurance cover (£10m public) appears to be adequate for the size of the Council.
3.4	Evidence of annual insurance review?	Yes	The insurance is renewed annually in June. The Clerk undertakes a review of insurances prior to renewal to ensure that best value is obtained in respect of service levels and premiums. It was reviewed in May 2023 minute Ref 96/23 A long-term agreement ends June 2024.
3.5	Internal financial controls documented and evidenced?	Yes	Stipulated in the Standing Orders, Financial Regulations and Risk Management and minutes
	Review of effectiveness of internal control	Yes	A review of internal control was undertaken in June 2023.
3.6	Minutes initialled, each page identified and overall signed?	Yes	Minutes of all Council meetings are signed by the chair of the meeting. Each Minute item has a unique page number reference
3.7	Regular reporting and minuting of bank balances?	Yes	Bank balances are presented to Council at each meeting.
3.8	S137/GPC expenditure minuted?	Yes	All expenditure is minuted and identified as S137 expenditure in the minutes. Note: £11,210.97 of S137 is available to spend if required

4. Budget			Comments & Recommendations
4.1	Annual budget prepared to support precept?	Yes	A budget was prepared in November 2022.
4.2	Has budget been discussed and adopted by Council?	Yes	The budget for the financial year being audited was discussed at a closed meeting in November 2022. Please note that this is not legal and meetings must be held in public.

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4.3	Any reserves earmarked?	Yes	Receipt of CIL is identified as reserves: £10,590. Recommend that earmarked reserves are identified and reviewed annually.
4.4	Any unexplained variances from budget?	No	

4. Budget		Comments & Recommendations	
4.5	Precept demand correctly minuted?	Yes	The precept demand of £53000 was approved and minuted January 2023 minute 09/23

5. Payroll - Clerk		Comments & Recommendations	
5.1	Contract of employment?	Yes	The clerk/RFO has a signed contract of employment.
5.2	PAYE/NI evidence?	Yes	February 2024 payslip provided.
5.3	Has Council approved the salary paid?	Yes	Salary increase agreed at meeting held on 5 March 2024

6. Payroll - Other		Comments & Recommendations	
6.1	Does the Council have employers' liability cover?		
6.2	Tax code(s) issued?	Yes	
6.3	Minimum Wage paid?		Above minimum wage
6.4	Disciplinary, Grievance & Complaints procedures in place?	No	

7. Asset Control		Comments & Recommendations	
7.1	Does the Council keep a register of all material assets owned?	Yes	The Clerk is responsible for maintaining the asset register.
7.2	Is the asset register up to date?	Yes	The asset register is up to date with the capital items purchased this year added to it. Recommend that asset register is reviewed (and minuted) annually and purchase and disposal dates are added to the register.
7.3	Value of individual assets included?	Yes	All assets have an individual value on the asset register

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7.4	Inspected for risk and health and safety?	Yes	Assets are kept well maintained and minuted when necessary. Play equipment checked annually by ROSPA accredited inspectors.
7.5	Land and Building asset register?	No	Land and buildings included in the Register of Assets

8. Bank Reconciliation			Comments & Recommendations
8.1	Is there a bank reconciliation for each account?	Yes	The Council holds the following bank accounts, all of which were operating at the start of the financial year; Barclays Premium account ending 4576 Barclays Premium account ending 6772 Barclays Community account ending 8860 Bank reconciliation for November 2023 was supplied.
8.2	Reconciliation carried out on receipt of statement?	Yes	The bank reconciliation for November 2023 was provided.
8.3	Any unexplained balancing entries in any reconciliation?	No	
8.4	Is the bank mandate up to date?	Yes	Authorisation requires two signatories. The bank mandate includes 3 signatories.

9. Year-End Procedures			Comments & Recommendations
9.1	Year-end accounts prepared on correct accounting basis?	Yes	Day to day and year-end accounts are prepared on a receipts and payments basis.
9.2	Bank statements and ledger reconcile?	Yes	A full reconciliation of each bank statement to the corresponding account in the ledger as at 31st March was prepared by the clerk.
9.3	Underlying financial trail from records to presented accounts?	Yes	The accounting system provides a satisfactory audit trail to the underlying financial records.
9.4	Where applicable, debtors and creditors properly recorded?	N/A	
9.5	Has Council agreed, signed and minuted sections 1 & 2 of the AGAR (Annual Return)?	Yes	For year 2022-23, a revised AGAR has been published with the correct minute references on.

10. Miscellaneous			Comments & Recommendations
10.1	Have points raised at the last internal audit been addressed?	Partially	

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10. Miscellaneous			Comments & Recommendations
10.2	Has the Council adopted a Code of Conduct since July 2012?	Yes	Adopted June 2022
10.3	Is eligibility for the General Power of Competence properly evidenced?		N/A
10.4	Are all electronic files backed up?	Yes	Paper copies of records are kept. Computer is regularly backed p onto external hard drive.
10.5	Do arrangements for the public inspection of records exist?	Yes	The Transparency Act requires a significant amount of Council data to be available on the Council's website. The external auditor raised the issue of a delayed public rights period. Please ensure that the notice period for this year starts as soon as possible after approval of the AGAR.

11. Charities			Comments & Recommendations
11.1	Charities reported and accounted separately?	Yes	
11.2	Have the Charity accounts been separately audited?		
11.3	Have the Charity accounts and Annual Return been filed within the legal time limits?		

12. Burial Authorities			Comments & Recommendations
12.1	All money received corresponds with the number of burials/cremations recorded and memorial permits issued?	Yes	
12.2	Are fees levied in accordance with the Council's approved scale of fees and charges?	Yes	
12.3	Have all statutory books been kept safe and up to date? If electronic copies are held, are these backed up regularly?	Yes	
12.4	Do all interment of ashes have a certificate of cremation?		
12.5	Have the necessary permits, permissions, and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved?		

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13. Income Controls			Comments & Recommendations
13.1	Is income properly recorded and promptly banked?	Yes	
13.2	Does the precept recorded agree to the Council Tax authority's notification?	Yes	The precept was received in the following instalments and recorded in the accounts: April 2023: £26,500 (50% of annual precept). September 2023: £26,500 (50% of annual precept) The total precept received was £53,000 as per the SODC notification
13.3	Are security controls over cash adequate and effective?	Yes	No cash is received.

14. Petty Cash			Comments & Recommendations
14.1	Is all petty cash spent recorded and supported by VAT receipts where applicable?	N/A	No petty cash is used
14.2	Is petty cash expenditure reported to Council?	N/A	
14.3	Is petty cash reimbursement carried out regularly?	N/A	

15. Accessibility/Transparency			Comments & Recommendations
15.1	<p>Are the following documents published on the website as per Transparency Code 2015:</p> <ul style="list-style-type: none"> • All items of expenditure above £100 • End of year accounts • Annual governance statement • Internal audit report • List of councillor or member responsibilities • The details of public land and building assets 	<p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	

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	<ul style="list-style-type: none"> Minutes, agendas and meeting papers of formal meetings 	Yes	
15.2	Is the website accessible as per The Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018?	Yes	A website hosted by lemoneye is used.
15.3	Has an Accessibility Statement been published on the website?	Yes	
15.4	Has an FOI publication scheme been published on the website?	yes	

16. Freedom of Information/GDPR		Comments & Recommendations	
16.1	Is the Council registered with ICO?	Yes	
16.2	GDPR: Freedom of Information scheme Data Protection policy Retention and Disposal of Documents policy Privacy Notice Email addresses	Yes Yes No Yes No	Recommend Retention and Disposal of Documents policy is adopted in line with GDP Regulations. The clerk has given her assurance that the Council is currently working with Breakthrough Communications to develop this. All councillors and especially the clerk must have a PC email address.
15.3	Are the above documents published on the Council's website?	Yes	

BIODIVERSITY DUTY

Public authorities who operate in England must consider what they can do to conserve and enhance biodiversity in England. This is the strengthened 'biodiversity duty' that the Environment Act 2021 introduces.

This means that, as a public authority, you must:

1. Consider what you can do to conserve and enhance biodiversity.
2. Agree policies and specific objectives based on your consideration.
3. Act to deliver your policies and achieve your objectives.

If this has not yet been considered please do so at your earliest convenience: SLCC has a model policy.

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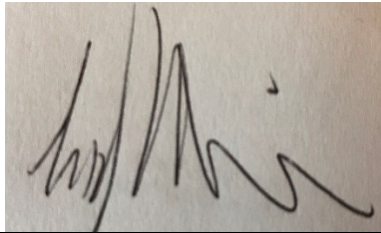
<u>Check No.</u>	<u>1</u>	<u>2</u>	<u>3</u>
<u>Transaction type</u>	Purchase invoice	Purchase invoice	Purchase invoice
<u>Supplier/Customer</u>	Robert Gray	Edward Hawes	Oxford Direct Services
<u>Invoice/Transaction No.</u>		1148	398/6
<u>Invoice/Transaction date</u>	19/8/23	8/2/24	28/3/24
<u>Goods/services supplied</u>	Grass cutting	Hedge cutting on playing field	Playground maintenance
<u>Ledger date</u>			
<u>Item/Budget heading</u>	Services	Admin?	Projects – play area
<u>Authorised by</u>	Cllrs Oakley & Burgess	Cllrs Oakley & Burgess	Cllrs Oakley & Burgess
<u>Delivery evidence</u>	Councillor checked	Councillor checked	Councillor checked
<u>Payment minute ref</u>	Sept 23	25/5/22	April 24
<u>Payment value</u>	£348.50	£900	£530
<u>Bank Statement value</u>	£348.50	£900	£530
<u>Payment Date</u>	6/9/23	15/2/24	28/3/24
<u>Timely payment</u>	Yes	Yes	Yes
<u>VAT recorded</u>	N/A	Yes	N/A
<u>GPC recorded in ledger</u>	n/a	n/a	n/a
<u>GPC minuted</u>	n/a	n/a	n/a
<u>Notes</u>			
<u>Pass</u>	√	√	√

Any further comments

The overall internal audit assurance rating is ADEQUATE
 Recommend that the clerk is trained in the use of Excel.
 Please ensure that all council and committee meetings are held in public as this is a legal requirement.
 Recommend that the risk assessment has a proper update- the same comments seem to be on it from last year
 The standing orders and financial regulations need to be tailored to Council. Currently the brackets are left in as per the model regulations. This is especially important for item 11h contracts (financial regulations).
 Recommend that legal powers are recorded on the invoices or in the minutes.
 All councillors and the clerk need a parish council email address.
 Recommend that purchase and disposal dates are added to the asset register. The external auditors may ask this. The asset register also needs reviewing (and minuting) annually.
 Recommend that earmarked reserves are noted and minuted separately.

Acknowledgments

The help and co-operation of Hayley Kogel, Clerk to the Council is much appreciated by the internal auditor.

Internal audit carried out by	(signed)	(print)
		Lisa Wilkinson
Audit type (delete as appropriate)	INTERIM ANNUAL	
Date 27/5/24		

For internal auditor's use only

Part 3 of Annual Return form completed and signed	27/5/24
Internal audit report/letter sent to Council	27/5/24

Section 2: Compliance Testing Report for Horspath Parish Council Year**Ending: March 2024**

2023-2024 ANNUAL RETURN		Year Ending 31 March 2023	Year Ending 31 March 2024
1	Balances brought forward	19870	9912
2	Annual precept	45000	53000
3	Total other receipts	18321	16151
4	Staff costs	38305	25806
5	Loan interest/capital repayments	0	0
6	Total other payments	34974	36137
7	Balances carried forward	9912	17120
8	Total cash and investments	9912	17120
9	Total fixed assets and long-term assets	550194	554354
10	Total borrowings	0	0
11	The Council acts as a sole trustee for and is responsible for managing Trust funds or assets	Yes	Yes