



Spaldington Parish Council

Internal Audit Report [Year Ending 31 March 2023]

Financial Year Ending:	31 March 2023	Date Audit Carried Out:	11 & 17 May 2023
Internal Auditor:	Ms Safia Kauser	Date Report Issued:	Draft Report: 18 May 2023 Final Report: 21 May 2023
Report Status:	Final		
Audit Assurance Assessment Cover:	The programme of cover has been designed to afford <u>reasonable assurance</u> that the Councils financial systems are operating in an effective manner and in compliance with the statutory legal framework. This audit assurance applies to each individual control area that has received a positive internal audit response.		
Audit Assurance Definition:	Reasonable Assurance Definition: There is generally a sound system of governance, risk management and control in place. Some issues non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.		

This internal audit report considers the best practice and internal auditing standards referenced within the Practitioners' Guide to Governance and Accountability for Local Authorities.

Internal audit is an on-going function, undertaken regularly throughout the financial year, to test the continuing existence and adequacy of the authority's internal controls. It results in an annual assurance report to members designed to improve effectiveness and efficiency of the activities and operating procedures under the authority's control. Managing the authority's internal controls is a day-to-day function of the authority's staff and management, and not the responsibility of internal audit.

Internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

Background

1.1 Spaldington Parish Council

The parish council is the first tier of local government. The principal authority is East Riding of Yorkshire Council covering the Spaldington Parish. The council has five Councillors and a part time Clerk and Responsible Financial Officer employed for five hours per week. Meetings of the full council are held monthly. The precept for the 2022/23 financial year was £13,500. The current council term expires in May 2023 when the council elections take place.

1.2 Objections to the Accounts – Challenge Correspondence

The external auditors have concluded the ongoing investigations arising from the 2019/20 financial year due to challenge correspondence received. The council were made aware in January 2022 that the ongoing costs will be in the region of £8-9k. The final invoice received from PKF Little Johns was £8,640 plus VAT totalling £10,368.

Statement of Responsibility

1.3 Responsibility

The internal audit work was undertaken in accordance with the agreed scope of assignment and in accordance with the letter of engagement. The council as a corporate body is responsible for ensuring that council business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for. Managing the authority's internal controls is a day-to-day function of the authority's staff and management, and not the responsibility of internal audit.

1.4 This report and findings are based on the information that was made available during the course of the audit. The matters raised in the report should not be read as a comprehensive statement of all the weaknesses identified or all improvements to be made. Internal Audit work should not be relied upon to identify all circumstances of fraud and irregularity, should there be any. Internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

1.5 The Internal audit report should inform the authority's responses to Assertions 2 and 6 in the Annual Governance Statement that forms part of the Annual Governance and Accountability Return [AGAR]. This internal audit report should therefore be made available to support and inform members considering the authority's approval of the annual governance statement.

AGAR Internal Control Objectives

1.6 The AGAR internal control objectives for the year ending 31st March 2023 remain unchanged with the exception of Objective L which requires the internal auditor to test the publication of legislative requirements which includes the Local Government Data Transparency Code, freedom of information publication scheme and Annual Governance and Accountability Returns for the last five years in accordance with the Audit and Accounts Regulations 2015.

Internal Control Objectives Year Ending 31 March 2023

Assessment Summary of Responses

Internal Control Objectives [As set out in the AGAR Internal Audit Report]		Internal Audit Response
A	Appropriate accounting records have been kept properly throughout the year.	Yes
B	This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes
C	This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	No
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.	Not Applicable
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 and year-end bank account reconciliations were properly carried out.	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 – subject to review of accounting statements
K	IF the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")	Yes
L	The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	No
M	The authority, during the previous year (2021/22) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (<i>evidenced by the notice published on the website and/or authority approved minutes confirming the dates set</i>).	No
N	The authority has complied with the publication requirements for 2021/22 AGAR (<i>see AGAR Page 1 Guidance Notes</i>).	Yes
O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Not Applicable

Internal Audit Findings and Recommendations

A Appropriate accounting records have been kept properly throughout the year.

Internal Audit Testing	Compliance	Comments / Recommendations
<p>Has the council appointed a Responsible Financial Officer (RFO)?</p> <p><i>*The council need to appoint an officer to be responsible for the financial administration of the authority in accordance with section 151 of the Local Government Act 1972</i></p>	Yes	The duties of the RFO are combined with the role of Parish Clerk/Proper Officer.
<p>Has the Responsible Financial Officer (RFO) determined a form of accounting and supporting records (Regulation 4 of the Accounts and Audit Regulations 2015)?</p> <p><i>*The cash book is the main focus for the day-to-day accounting and balancing off and reconciliation to the bank statement, and remains the most important control over the accounting system.</i></p>	Yes	The RFO continues to maintain the accounts on an excel spreadsheet to record the receipts and payments. These are linked to the budget codes which calculate the variances of actual spend against the agreed budgets and informs the budget monitoring reports issued to council members.
<p>Do the accounting records contain entries from day to day of all sums of money received and expended by the council and the matters to which its income and expenditure or receipts and payments relate; and a record of the assets and liabilities of the authority. Is the arithmetic correct?</p>	Yes	<p>A sample of invoices were checked against the cashbook and the bank statements. These were checked for data accuracy and arithmetic. Issues Identified:</p> <ul style="list-style-type: none"> • £3,475.17 – Transaction A18 recorded to salary and expenses. This includes a breakdown of £2,916.00 (net) coded under Grants S137. The Cell A18 records a payment of £583.20 (VAT) only paid to SALKO. It appears this is likely to be a coding error on the cashbook as the bank statement confirms a total payment of £3,499.20 to SALKO on 10 June 2022. • £60.00 – Transaction 11 – This has coded a total of £60.00 which does not include the VAT breakdown of £10.00.
<p>Do the previous year's annual return figures agree with the current year's opening balances in the cash book?</p>	No	<p>£9,355 was recorded in box 7 of the Accounting Statements at the 31st March 2022. This figure was not rolled over to the 01 April 2022. An up to date cash book with the opening balances is essential because the statements provided by the bank will not necessarily be a reliable record of the Councils cash balances and therefore the Council may be required to refer to the cashbook instead. It is noted that the cash balances at the 31st March 2022 were brought forward as part of the bank reconciliation report presented to council members.</p>

RECOMMENDATION 1:
That the opening balances are entered into the cashbook to ensure it is up to date and records the Councils opening balances.

Internal Audit Response Yes

B This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Internal Audit Testing	Compliance	Comments / Recommendations
Has the Council adopted the Standing Orders and are these in accordance with the latest NALC model?	Yes	The Standing Orders have been brought up to date and are adopted using the latest NALC Model Standing Orders 2018. These were formally adopted at the council meeting held in May 2022.
Has the Council adopted Financial Regulations and are these up to date with the latest NALC Model? And tailored to the Council?	Yes	The council continues to adopt a 'Financial Management and Budgeting Policy' incorporating some of the NALC model financial regulations. It is best practice that local authorities should be working from the latest NALC model and that it has been appropriately adapted for their size and requirements. This should be reviewed and minuted annually. Additionally the council has a procurement contracts policy and procedure which includes some clauses extracted from the NALC Model Financial Regulations. RECOMMENDATION 2: That consideration be given to adopting the latest NALC model Financial Regulations to incorporate/merge the councils Management and Budgeting Policy and Procurements Contracts Policy.
Is the purchasing authority defined in Financial Regulations? Is this consistent with the Standing Orders?	See comments	The purchasing authority is incorporated within the Procurement and Contracts Policy.
Are all payments listed in the cashbook supported by invoices, authorised and minuted? Certification of an account stamp used?	Yes	As we reported in our last financial year audit report; although the payments are minuted and authorised by council, there is no audit trail on the face of the invoices to evidence these checks. We would recommend that the RFO should ensure that a suitably designed accounts authorisation stamp be used for all invoices, for providing evidence of checks to link the authorisation for approving the payment, placing the order for goods and services and authorisation/instruction for payment.

		RECOMMENDATION 3: That a suitably designed accounts authorisation stamp be used for all invoices, for providing evidence of checks of the ordering process and authorisation/instruction for payment.
Is there a segregation of duties between writing cheques and/or setting up online payments and physical release of payments? Do the instructions for the payment of invoices comply with the Financial Regulations?	Yes	All payments are made via bank transfer. There have been no changes to the making of online banking payments. The RFO acts as the administrator and sets up the payments which are then approved by 2 out of the 3 authorised signatories. The RFO does not have authority to authorise payments and the councillors do not have authority to set-up payments however in the event that the RFO is unavailable to set-up a payment then the Chair can request to have authority from Unity Bank in these circumstances.
Is S137 separately recorded and within limits? Is S137 expenditure of direct benefit to electorate? Is S137 expenditure minuted?	Yes	There is a separate column in the cashbook to record S137 payments. The council during the 2022/23 financial year made two payments under the power of S137 Local Government Act 1972 totalling £4,454.22.
Is VAT correctly recorded in the cashbook and linked to invoices?	See comments	A sample of invoices were tested against the cashbook to ensure VAT had been recorded correctly. One invoice had been recorded incorrectly in the cashbook where the total value of £60.00 was recorded and VAT not accounted. This relates to accountancy fees and VAT of £10.00. RECOMMENDATION 4: That the cashbook is updated to record the correct NET and VAT amount for the accountancy invoice.
VAT evidence, recording and reclaim?	Yes	£2,791.64 – reclaimed covering the period of 01 November 2021 to 29 May 222. £535.90 – reclaimed covering the period of 01 June 2022 to 31 December 2022 The total recoverable VAT recorded in the cashbook was £3,037.50. This figure should be revised to include the VAT for the accountancy invoice (see findings above) RECOMMENDATION 5: That the outstanding VAT for the period ending 31 March 2023 be reclaimed to coincide with the financial year end.
Internal Audit Response		Yes

C This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Internal Audit Testing	Compliance	Comments / Recommendations
Annual risk assessment carried out?	No	<p>Risk Management forms part of the Annual Governance Statement assertion 5. In order to warrant a positive response the council should identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences. Having identified, assessed and recorded the risks, the should be addressing them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.</p> <p>The council adopted the policies and procedures at the annual council meeting in May 2022. There is a reference within the May meeting minutes that refers to the list of policies on the website. The risk assessment policy was located from the website, see link: Microsoft Word - Parish Council Risk Assessment.docx (spaldingtonparishcouncil.gov.uk)</p> <p>It is unclear from the face of the document when this was actually reviewed and considered at a council meeting or if this formed part of the policies and procedures adopted at the May 2022 meeting.</p> <p>RECOMMENDATION 6: That the council formally considers the corporate risk assessment register and that the review outcome be formally documented in the council minutes.</p>
Evidence of annual insurance review?	See comments	A copy of the insurance policy was not available for the audit.
Insurance cover appropriate and adequate?	See Comments	See comments above.
Internal financial control checks documented and evidenced?	No	Regulation 6 of the Accounts and Audit Regulations 2015 requires the council to conduct each financial year a review of the effectiveness of the system of internal control. The review assists the council to respond to the Annual Governance Statement, Assertion two. There is no evidence in the council minutes that a review of the effectiveness of internal controls took place during the financial year.

		RECOMMENDATION 7: That the council carries out a review of the effectiveness of its internal control systems to part comply with the annual governance statement, assertion two.
Appropriate monitoring in place? (Play areas, sports pitches, open spaces)	Not Applicable	Not covered
Internal Audit Response		No

D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Internal Audit Testing	Compliance	Comments / Recommendations
Is there an annual budget to support precept? Has the budget been discussed and adopted by council? Is the precept demand correctly recorded in the minutes?	Yes	The precept amount of £12,250 for the 2023/23 financial year was agreed at a council meeting held on 21 st December 2022. The budget document does not demonstrate the councils overall financial positions and projections at the 31st March 2023 and how all this has contributed towards the precept setting for the 2023/24 financial year.
Level of reserves within Proper Practice? ie between 3 and 12 months running costs. Review earmarked reserves.	See comments	The level of reserves were not built into the budget calculations. The council does not appear to have any earmarked reserves. The meeting documents from the December 2022 budget meeting record that the council does not require any earmarked reserves to cover the costs of an election. However the council should consider their responsibilities for risk management purposes and allocate a sum of money to cover the costs of any by-election that could arise at anytime during the financial year or new council term. The council should have in place a general reserve to cover unexpected inflation, unforeseen events and unusual circumstances.
Is the precept demand correctly recorded in the minutes?	Yes	
Is the budget against spend comparisons provided regularly to the Council? ie quarterly basis? Any unexpected variances?	Yes	
Internal Audit Response:		Yes

E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for

Internal Audit Testing	Compliance	Comments / Recommendations
Does the precept approved agree to the Council Tax authority's notification and has this been received and banked?	Yes	£13,500 precept was received during the 2022/23 financial year and was received in two instalments from the principal authority.

Does the council receive any other income in addition to the precept? Is the income properly recorded and banked?	Yes	The council has received various grants and donations throughout the year. These appear to have been recorded correctly in the cashbook. The sum of £2,701.64 relating to VAT was received.
Has the council correctly invoiced for any sales and is the correct rate of VAT applied? (if applicable)	N/A	
Internal Audit Response		Yes

F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for

Internal Audit Testing	Compliance	Comments / Recommendations
Does the Council manage petty cash and is it accounted for properly and included in the AGAR figures? Is all petty cash spent recorded and supported by VAT receipts?	Not Applicable	
Is petty cash expenditure reported to each council meeting?		
Internal Audit Response		Not Covered

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.

Internal Audit Testing	Compliance	Comments / Recommendations
Is there a contract of employment for the Clerk/RFO and all employed staff?	Yes	The council has one employee. A contract of employment is in place.
Has the Council approved the salaries paid? Do the salary records correspond with the pay points agreed by the Council?	Yes	A breakdown of the monthly salary payments were provided. These are signed by the Chair of the council and corresponded to the pay points. The employee receives a home working allowance and ad-hoc expenses are claimed.
Is the Tax and NI contributions paid within the expected parameters to HMRC? Are copies of P11s available?	Yes	
Are pension obligations met as part of the auto-enrolment process? Criteria £10k salary p.a	Not Applicable	Not applicable
Internal Audit Response		Yes

H Asset and investments registers were complete and accurate and properly maintained.

Internal Audit Testing	Compliance	Comments / Recommendations
Does the council keep a register of all material assets owned? Is asset register up to date?	Yes	£5,719.20 recorded in box 9 of the AGAR accounting statements recorded at the 31 st March 2022. The asset value has increased to £7,219 at the 31 st March 2023.
Does the asset register record the replacement value of individual assets for insurance purposes?	Yes	The asset register now includes a column for current value for insurance purposes
Compare the Asset Register value reported in section 2, box 9 prior year reported figure, adjusted to include new assets / and/or disposals. Is there a record of disposals to record non-serviceable/disposed assets?	No	The value recorded at 31 st March 2023 is £7,219 representing an increase of £1,499. It is unclear from the register which items relates to new additions, disposals or re-valuations. It is noted that the council purchased a noticeboard at cost of £1,538. (ex VAT). The variances in the asset values cannot clearly be identified. The new notice-board is recorded on the asset register at £1,500. The old noticeboard with a value of £150 is disposed however the notes on the register do not provide a disposal date.
Does the Asset Register value correspond to box 9 of the Annual Return?	Yes	
Does the register of assets correspond to the insurance schedule to ensure that all assets are insured or self-insured by the council?	Not covered	Unable to undertake testing in this area as the insurance policy schedule was not available for audit.
Have the assets been inspected for risk and H&S purposes and do inspection records exist?	No	Assets do not appear to have been physically checked to verify their existence. There is no reference in the council minutes to confirm this has been undertaken during the financial year.
Internal Audit Response		Yes

I Periodic and year-end bank account reconciliations were properly carried out.

Internal Audit Testing	Compliance	Comments / Recommendations
Is there a bank reconciliation for each account?	Yes	The council was operating with two bank accounts. One account was held with Unity Trust and one with HSBC bank. Due to banking charges received from HSBC the council resolved to close the bank account and transfer the money to a second bank account with Unity Trust.
Reconciliation carried out on receipt of statement?	Yes	Bank reconciliations have been routinely carried out.

Are bank reconciliations reported to council and committee? Are these independently signed off by members and recorded in the minutes?	Yes	Balances are reported to council members.
Any unexpected balancing entries in any reconciliation? Sample test one month.	No	
Bank Reconciliation to the 31 March?	See Comments	The bank reconciliation at the 31 st March did not reconcile with the bank statement balance for the reserve account. The bank reconciliation had recorded the bank balance for the reserves account at the 28 th February 2023 and not the 31 st March 2023. It is noted that the bank balances for the purposes of the AGAR were correct. RECOMMENDATION 8: That the bank reconciliation for the reserves account at the 31st March 2023 be carried out again to record the correct bank balances as per bank statement.
Internal Audit Response		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.

Internal Audit Testing	Compliance	Comments / Recommendations
Year-end accounts prepared on correct accounting basis?	Yes	The accounts are prepared on a receipts and payments basis.
Staff Costs [Box 4] Do payments relate to employment of staff including gross salary, employers' national insurance contributions, employers' pension contributions, gratuities for employees or former employees and severance or terminations payments to employees?	Yes	Expenses and home working allowances are recorded in a separate expenditure budget lines.
Do the Bank statements and ledger reconcile at 31 March?	Yes	The Bank Balances at 31 st March 2023 were verified against the two bank accounts with Unity Trust. <ul style="list-style-type: none"> • £2,234.47 – Unity Trust Bank • £3,532.61 – Unity Reserves Account £5,767.08 – Total bank balances at 31st March 2023 <p>The figure of £5,767 is recorded correctly in box 7 of the Accounting Statements</p>
Is there an underlying financial trail from records to presented accounts?	Yes – See comments	The figure is box 2 'Total other receipts' is recorded as £8,808. The cashbook records a total income of £8,791.07. The figure in box 2 will need to be reviewed and updated

		accordingly as there is a discrepancy of £16.93. The total expenditure as per cashbook is £25,895.89. This includes staff costs of £5,446 recorded in box 8. The remaining expenditure for the purposes of box 6 should be £20,449.89 and the RFO has recorded this correctly in box 8 which has been rounded up to £20,450.
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Other Comments:

It is noted that the council has approved the AGAR and accounting statements prior to receiving the internal audit report for the 2022/23 financial year. The Council should not that the internal audit is carried out after the RFO has produced the accounting statements (section 2 of the AGAR). Following the completion of the internal audit report, the council is then required to consider and approve section 1 and 2 of the AGAR. The internal audit report should therefore be made available to council members prior to approving section 1 of the AGAR (annual governance statements) as this informs the councils responses to boxes 2 and 6.

Internal Audit Response	Yes – subject to a review of the accounting statements and cashbook
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K IF the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick “not covered”)

Internal Audit Testing	Compliance	Comments / Recommendations
Has the Council correctly declared itself exempt from external audit? i.e receipts and payments individually totaled less than £25k. Requirements: <ul style="list-style-type: none"> the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline that it has been published, together with all required information on the Authority’s website and noticeboard 	Yes	See link to website – certificate of exemption: 2022-04-19 19:44 (spaldingtonparishcouncil.gov.uk) See link to minutes approving the accounts (April 2022) - Minutes of Full PC Meeting 18 April 2022 (spaldingtonparishcouncil.gov.uk)

Internal Audit Response	Yes
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L The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements

Note: The auditing requirements in the practitioners guide are not entirely clear and objective L for this year has changed. Therefore testing has been carried out to seek assurance on the publication requirements of the Accounts and Audit Regulations 2015 - Section 13 (2) (b) to ensure that Councils display the AGARs for the five years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 on their website and compliance with the Local Government Data Transparency Code (if applicable) and the freedom of information publication scheme.

Internal Audit Testing	Compliance	Comments / Recommendations
Publication of the AGAR for the last five years in accordance with the Accounts and Audit Regulations 2015, section 13 (2)?	No – see comments relating to 2019/20 financial year	2017/2018 – Yes - See links: audit-spaldington.pdf (spaldingtonparishcouncil.gov.uk) ; exemption-spaldington.pdf (spaldingtonparishcouncil.gov.uk) 2018/2019 – Yes - See links: Audit 2018-2019 documents - Spaldington Parish Council ;

		<p>Exemption Certification 2019 - Spaldington Parish Council</p> <p>2019/2020 – No – See links - 2016 - 2017 - Spaldington Parish Council – There is no external auditor report available and published for the 2019/20 financial year.</p> <p>2020/2021 – Yes - See link: 2021-06-22 10:10 (spaldingtonparishcouncil.gov.uk)</p> <p>2021/2022 – Yes – see link: 2022-04-19 19:44 (spaldingtonparishcouncil.gov.uk)</p>
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Freedom of Information – Publication Scheme

<p>Freedom of Information Act – Has the Council adopted a Publication Scheme?</p>	<p>No</p>	<p>The councils policies and procedures page on the website was reviewed, see link: Policies/Procedures - Spaldington Parish Council</p> <p>Although the council has adopted a ‘Freedom of Information’ Policy, this does not set out the compliance with the Freedom of Information Act which requires every public authority to have a publication scheme, approved by the Information Commissioner’s Office (ICO), and to publish information covered by the scheme. Further information is available on this link: What information do we need to publish? ICO</p> <p>RECOMMENDATION 9: That the council adopts a model publication scheme (template available from the ICO website) and ensures that the information as per scheme is published on the website.</p>
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Local Government Data Transparency Code

<p>Publication Requirements in accordance with the Local Government Data Transparency Code (This code has been issued in accordance with Local Government, Planning and Land Act 1980, Section 3)</p> <ul style="list-style-type: none"> • Transparency Code for smaller authorities i.e.: annual turnover not exceeding £25,000 • Local Government Data Transparency Code i.e.: a parish council which has gross annual income or expenditure (whichever is the higher) exceeding £200,000 	<p>Not applicable</p>	<p>The council does not fall within the threshold for compliance with the Data Transparency Code. It is noted that previously the council has had to comply with the Data Transparency Code as the income and expenditure is less than £25,000.</p> <p>The council will be subject to an external audit review.</p>
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Internal Audit Response **No**

M The authority, during the previous year (2021/22) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).		
Internal Audit Testing	Compliance	Comments / Recommendations
<p>Do arrangements for public inspection of council's records exist? The inspection window must include a 30-working day period including the first 10 working days of July following the end of the financial year to which the accounts relate.</p> <p>Evidence of public inspection notice seen? And website address.</p>	No	<p>The exercise of public rights was published on the council website, see link: Spaldington PC Notice of public rights and publication of annual governance accountability return 2021-22 (spaldingtonparishcouncil.gov.uk)</p> <p>The Accounts and Audit Regulations 2015 require a 30 working day period. The calculation for the exercise of public rights was calculated incorrectly as the period ended on Sunday 31 July 2022 instead of Friday 29th July 2022.</p>
<p>Did the council minute the relevant dates for the exercise of public rights at the same time as approving the AGAR?</p>	No	<p>The council approved the AGAR at the council meeting held on the 22nd April 2022. The minutes did not record the dates for the exercise of the public rights, see link to minutes: Minutes of Full PC Meeting 18 April 2022 (spaldingtonparishcouncil.gov.uk)</p>
Internal Audit Response		No

N The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).		
Internal Audit Testing	Compliance	Comments / Recommendations
Review evidence for publication (Applicable to AGAR Form 2 – authorities declaring themselves exempt form a limited assurance review):		
<p>Before 01 July 2022, the authority should have published:</p> <p>a) the Annual Internal Audit Report;</p> <p>b) the Annual Governance Statement;</p> <p>c) the Accounting Statements;</p> <p>d) an analysis of any significant year on year variances;</p> <p>e) a bank reconciliation as at 31 March 2021;</p> <p>f) a copy of the Certificate of Exemption;</p> <p>g) details of the arrangements for the exercise of public rights; and</p> <p>h) the name and address of the External Auditor</p>	Yes	<p>a) Yes – see link: 2021-22-internal-audit-report-spaldington-parish-council.pdf (spaldingtonparishcouncil.gov.uk)</p> <p>b and c and f) Yes, see link: 2022-04-19 19:44 (spaldingtonparishcouncil.gov.uk)</p> <p>d) Yes – see link: Explanation of variances 2021-22 EXCEL (spaldingtonparishcouncil.gov.uk)</p> <p>e) Yes – see link: End of Year SPC Financial Accounts 21-22 EXCEL (spaldingtonparishcouncil.gov.uk)</p> <p>g and h) Yes – see link: Spaldington PC Notice of public rights and publication of annual governance accountability return 2021-22 (spaldingtonparishcouncil.gov.uk)</p>
Internal Audit Response		Yes

O Trust funds (including charitable) – The council met its responsibilities as a trustee

Internal Audit Testing	Compliance	Comments / Recommendations
Charities reported and accounted separately?	Not applicable	
Internal Audit Response		Not applicable

AGAR Internal Audit Report – Year Ending 31st March 2023

The AGAR internal audit report has been signed off. The responses as set out in the summary (page 3) have been carried across to the AGAR form. The negatives responses are supported by the findings contained in this report.

We would like to thank the Clerk and Responsible Financial Officer Mr Simon Baxter for all his help and assistance with the audit.

Recommendations Action Plan (Attached)

No	Recommendations	Responsibility	Timescale
1	That the opening balances are entered into the cashbook to ensure it is up to date and records the Councils opening balances.		
2	That consideration be given to adopting the latest NALC model Financial Regulations to incorporate/merge the councils Management and Budgeting Policy and Procurements Contracts Policy.		
3	That a suitably designed accounts authorisation stamp be used for all invoices, for providing evidence of checks of the ordering process and authorisation/instruction for payment.		
4	That the cashbook is updated to record the correct NET and VAT amount for the accountancy invoice.		
5	That the outstanding VAT for the period ending 31 March 2023 be reclaimed to coincide with the financial year end.		
6	That the council formally considers the corporate risk assessment register and that the review outcome be formally documented in the council minutes.		
7	That the council carries out a review of the effectiveness of its internal control systems to part comply with the annual governance statement, assertion two.		
8	That the bank reconciliation for the reserves account at the 31 st March 2023 be carried out again to record the correct bank balances as per bank statement.		
9	That the council adopts a model publication scheme (template available from the ICO website) and ensures that the information as per scheme is published on the website.		