

Annual Internal Audit Report 2022/23

MORETON, BOBBINGWORTH AND THE LAVERS PARISH COUNCIL

http://www.mblparishcouncil.com/ AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2023, 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 2022/23 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.	/		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	/		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	/		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	/		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	/		
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.	/		
H. Asset and investments registers were complete and accurate and properly maintained.	/		
I. Periodic bank account reconciliations were properly carried out during the year.	/		
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.	/		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, 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")	/		
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.		/	
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 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	/		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	/		

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			/

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

DD/MM/YYYY

18/05/2023 19/05/2023

ENT

Val Evans PSLCC

OR

Signature of person who carried out the internal audit

Val Evans

REQUIRED

Date

19/05/2023

*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).

INTERNAL AUDIT REPORT

1 April 2022 – 31 March 2023

MORETON BOBBINGWORTH & THE LAVERS PARISH COUNCIL

In order to ensure compliance with proper practices, the audit follows the guidance in the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide March 2022 (the Practitioners' Guide 2023 may be referenced for clarification). The internal audit was carried out from supplied documents and records, the Council's website and discussions with the Clerk/RFO.

Minutes of Full Council and Planning Meetings are published on the website together with agendas for the audit year. Signed minutes are retained in a folder. Agendas are on the website showing legal compliance and summary of business. Attendance sheets are signed for each meeting. The Council meets bi-monthly. There are no committees as such: Planning Meetings are only held if planning applications or matters require attention outside of the normal Council meeting cycle.

Internal Control Objective A

Appropriate accounting records have been properly kept throughout the financial year. Sample checking of 25 financial transactions was carried out matched to cash book, invoices, vouchers and bank statements. The remaining transactions were visually scanned.

The Council's funds are with Unity Trust Bank: a current account and instant access (savings) account. Cash book and bank statements are regularly reconciled. The Bank Mandate comprises 3 councillors and the Clerk/RFO; 2 councillors to authorise. Council may wish to consider increasing the number of councillors on the bank mandate as a contingency.

There is no requirement for an Investment Strategy.

Internal Control Objective B

This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was properly accounted for.

The Council complies with its financial regulations which are dated 2018, reviewed in May 2023; see internal control objective L below. Sample checking of invoices was carried out as in internal control objective A. Payments are formally approved at Council meetings. The payments listing is recorded in the minutes and is included on the agenda. The Clerk/RFO sets up the payments online which are authorised by 2 councillors who have been provided with copies of the invoices; the Clerk/RFO specifically does not authorise payments. Cheque book is not used.

There are no Debit or Credit cards although the Clerk/RFO makes occasional online payments and is reimbursed. Council may wish to consider the Clerk/RFO having a Debit or Credit card with appropriate documented controls.

The VAT reclaim is submitted annually. The refund for 2021/22 of £312.84 was received in May 2022. The reclaim for 2022/23 has been prepared and is ready for submission.



Internal Control Objective C

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

The Council has considered its risks which were approved at Council on 14 March 2023. The Risk Register is published on the council's website.

The insurance is with Zurich and was approved by Council in July 2022. The policy runs from 1 June 2022 to 31 May 2023 and appears adequate.

Amenities eg notice boards, grit bins, phone kiosks, defibrillators, are checked by councillors and any necessary maintenance or repairs carried out.

Internal Control Objective D

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

The budget was approved at Council in January 2022, the amount was not stated. The budget is attached to the agenda but not published: according to the end of year accounts the expenditure budget is £20,340 with ear marked reserves of £1,200. The Precept demand of £22,000 was approved at Full Council on 11 January 2022; the precept amount matches DLUHC documentation. For openness and transparency the budget and precept amounts with Band D should be stated in the minutes.

A financial report with bank balances is provided at council meetings.

Ear Marked Reserves are specified in the Final Accounts 2022/23. Leaving a General Reserve which appears to be more than 3-12 months revenue spend (JPAG guidance).

Internal Control Objective E

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

The income of precept and bank interest was checked as for Internal Control Objective A. Paying In book is not used.

The Council is not registered for VAT.

Internal Control Objective F

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

Not applicable

Internal Control Objective 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

The payroll is outsourced to A Rodgers. The Clerk/RFO is the sole employee; any variances to the monthly salary are referred to the Chair or Vice Chair. All payments including salary, PAYE and NI are made online by the Council; monthly to HMRC.

There is no Members' Allowance.

Internal Control Objective H

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

The Asset Register was reviewed at Council in November 2022 and should be published on the council's website to comply with the Transparency Code.

There are no long term investments.



There is no borrowing.

Internal Control Objective I

Periodic bank account reconciliations were properly carried out during the year. The cash book is reconciled with the bank statements when received. Year end bank reconciliation has been checked.

Internal Control Objective 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.

The Council operated a receipts and payments system which is entered and recorded in an EXCEL spreadsheet.

Internal Control Objective K

If the authority certified itself as exempt from a limited assurance review in 2021/2022, it met the exemption criteria and correctly declared itself exempt.

The Council certified as exempt having fulfilled the criteria.

Internal Control Objective 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.

This internal control objective was a late change to this year's AGAR with little detailed guidance from JPAG on the interpretation of 'relevant legislation'. Guidance from the Internal Audit Forum refers to the Audit & Accounting Regulations 2015 requirement of five years of AGAR returns to be displayed, together with JPAG Practitioners' Guide 2023 5.116 – 5.119 referring to Freedom of Information eg Standing Orders, Financial Regulations, policies; Transparency Codes (as appropriate) eg payments listings.

The only AGAR on the council's website is for 2021/22; there is no historical financial information which means that a 'No' will have to be entered for this control objective. The policies are all in one document with a review date of 9 May 2023; although available they are not easy to separate or read in this format. The Clerk/RFO plans to separate the policies giving the adoption and review dates for each policy; some are to be updated as they are old models eg financial regulations. It is **recommended** that the Council's website is brought up to date with the historical AGAR information as soon as possible.

Internal Control Objective 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 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).

Notices with accompanying documents are published on the Council's website.

Internal Control Objective N

The authority has complied with the publication requirements for 2021/22 AGAR Documents are on the Council's website.



Internal Control Objective O

Trust funds (including charitable) – The Council met its responsibilities as a trustee.

Not applicable

Recommendations Summary

1	The Council's website is brought up to date with the historical AGAR information as soon as possible. <i>Internal Control Objective L</i>
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Thanks go to the Clerk/RFO for her input and time afforded to me. Thanks also to the Council for the opportunity to carry out the Council's Internal Audit which I trust meets with your approval and requirements. Should you need any further information or assistance please do not hesitate to contact me.

Val Evans PSLCC
The Magpies Epping Green Essex
07831 283472

May 2023



ANNUAL INTERNAL AUDIT REPORT (AIAR) 2022/23
Additional Information

MORETON BOBBINGWORTH & THE LAVERS
PARISH COUNCIL

The 'No' item has been discussed with the Clerk/RFO

Internal Control Objective 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. **NO***

This internal control objective was a late change to this year's AGAR with little detailed guidance from JPAG on the interpretation of 'relevant legislation'. Guidance from the Internal Audit Forum refers to the Audit & Accounting Regulations 2015 requirement of five years of AGAR returns to be displayed, together with JPAG Practitioners' Guide 2023 5.116 – 5.119 referring to Freedom of Information eg Standing Orders, Financial Regulations, policies; Transparency Codes (as appropriate) eg payments listings.

The only AGAR on the council's website is for 2021/22; there is no historical financial information which means that a 'No' will have to be entered for this control objective.

Recommendation: the Council's website is brought up to date with the historical AGAR information as soon as possible.

Val Evans PSLCC
Independent Internal Auditor – Local Councils
Internal Audit Forum Member

AIAR dated 19 May 2023