**LAKE PARISH COUNCIL**

# INTERNAL AUDIT REPORT 2023 - 24

## 1.INTRODUCTION

All Local Councils in England are required to complete an annual return summarising their financial records at the end of the financial year. A section on the Annual Return needs to be completed by an Internal Auditor who shall be independent of the Council. The Councils External Auditor needs to place reliance on the work of the Internal Auditor and provides guidance on the minimum level of testing required to provide this assurance.

## 2.SCOPE OF AUDIT

The audit includes for examination on a test basis of evidence relevant to the amounts and disclosures as contained in the accounts. This examination has included the following-

Matching of financial statements to invoices and receipts
Examination of budget preparation & precept setting
Inspection of bank statements
Matching of payment records to invoices
Examination of Risk Assessment.
Compliance with Transparency Code.

## 3. FINDINGS

1) There is no payroll provision as the Clerk works on a voluntary basis and back-office support is through an agreement with Sandown Town Council.

2) The accounting record's, bank statements and bank reconciliation were examined and agreed. All payments are presented to the Council for approval and paid by the clerk under delegated authority. A full list of invoices should be signed off by the Chairman and a nominated councillor, although the sample of invoices checked showed one signature rather and two.

3) The bank reconciliations are presented and signed off regularly at meetings.

4) Standing Orders and Financial Regulations were reviewed and adopted at the 11 May Annual Meeting 2023.

5) VAT had been accounted for correctly and refunds from HMRC are being claimed.

6) Insurance policies are in place until 31 May 2024 and new quotes are currently being obtained.

7) The budget and precept proposals were discussed at a full council meeting on8 February 2024 and it was resolved to increase the precept to £275,093 for 24/25. Full details of the process is outlined in the minutes.

8) The Financial Risk Assessment Policy is in place for 2024 although needs to be uploaded to the website.

9) The 2023-24 financial year saw turnover of over £200,00, so recording is correctly made on an income and expenditure basis.

10) The Transparency Code requires the publication of certain information on a website. All items have been displayed correctly and clearly, although some policies need updating. It is understood that updating of policies is an ongoing process and this includes GDPR and Health and Safety. It is considered good practice to have 5 years of audits displayed on the website and currently there are 3 years displayed.

11) The exercise of public rights for 2022/23 was correctly displayed on the website. However, although the dates agreed were minuted, these were not listed.

**RECOMMENDATIONS**

The new administration has made many positive improvements, and these are still ongoing. Although it is evident from the minutes that policies have been reviewed and adopted, this is not always reflected on the website. Therefore, it is recommended that these are updated promptly.

- Ensure all policies on the website are the current version.
- Ensure minutes are not left as draft after they have been resolved.
- Dates for the Exercise of Public Rights must be detailed in the minutes following the authorisation of the AGAR
- Ensure all invoices are signed by two councillors

**Having regard to the above, I believe I have adequate assurance to complete and sign the relevant section of the Annual Return.**

**Maxine Warr**
**8th May 2024**