

## **WESTBURY PARISH COUNCIL INTERNAL AUDIT 2022-23**

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit. This report is based on the evidence examined and made available to me. It would be incorrect to view internal audit as the detailed inspection of every record and transaction of the Council in order to detect error or fraud. Consequently the report is limited to those matters set out below. **The council is required to take appropriate action on all matters raised in reports from and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.***

### **To the Chairman of the Council:**

Following discussion with Cathy Knott, Clerk & RFO by mutual agreement I carried out the audit remotely, by means of e-mail and a virtual meeting online platform. I would thank Cathy for her co-operation and assistance in delivering the audit; receiving the year-end data in good time ahead of the audit, together with the quick response to my queries has been very helpful to me.

I firstly examined the publicly available information displayed on the council's website including the council's policies, procedures, agendas, minutes, financial and other records. I sought evidence that the previous year's Internal and External Audit reports had been properly reported to and where necessary acted upon by the Council; they had. I then examined the council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the 'proper practices] as set out in the Practitioners' Guide\*), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control and year-end procedures and compliance with the display of information including the exercise of public rights.

Where necessary, I requested and was provided with supplementary evidence to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR) that forms part of the council's Annual Governance and Accountability Return (AGAR). This supplementary information was provided in the form of written answers to the questions raised together with scanned documents including the Accounting Statements (section 2 of the AGAR) and the bank reconciliation and questioning at the audit meeting.

I identified just one audit issue relating to budgeting and financial reporting. In addition to the precept, the council currently receives reasonably regular and predictable income, year-on-year from a variety of streams eg HS2, s.106 / CIL and grant funding in relation to the development of a Neighbourhood Development Plan. These sums are not included in the budget, nor are they cited as part of the reserves that are set out as a footnote to the budget document, although they are included in the receipts and payments spreadsheet and the balances that form part of the financial reporting at council meetings. For reasons of transparency, these amounts should be explicitly referred to when reported in Minutes and the income and expenditure should also be mentioned in an explanatory note to the budget document that is posted on the website. The budget footnote relating to reserves should also be slightly re-ordered to clarify that the general reserve (currently £5,500) does not form part of the 'ringfenced' ie earmarked reserves.

Notwithstanding these comments, the council and its diligent clerk continue to deliver good standards of compliance and governance and I am pleased to be able to report that having tested all the aspects of the council's internal controls that I am required to consider, based on the information made available to me I am satisfied that in all significant respects, the internal control objectives were achieved throughout the financial year to a standard adequate to meet the council's needs. Accordingly, I have completed and signed off the Annual Internal Audit Report as required.

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The figures submitted in the Annual Return are:

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	16,659	26,123
2. Annual precept	17,726	18,794
3. Total other receipts	26,244	40,231
4. Staff costs	6,785	7,056
5. Loan interest/capital repayments	0	0
6. Total other payments	27,721	55,002
7. Balances carried forward	26,123	23,090
8. Total cash and investments	26,123	23,090
9. Total fixed assets and long term assets	1,060,695	1,153,195
10. Total borrowings	0	0

\*Please note the 'proper practices' required by the Accounts & Audit Regs 2015 that smaller authorities must follow are set out in sections 1 & 2 of the *Practitioners' Guide*; it also sets out the appropriate standard of financial reporting. A copy of the current (2023) version of the Guide and other useful information is available for free download from this page:

<https://www.pkf-littlejohn.com/services-limited-assurance-regime-useful-documents-and-links>